

European Commission

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

**2003**

Brussels • Luxembourg, 2004

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

Sir,

We have the honour to present the General Report on the Activities of the European Union for 2003, which the Commission is required to publish by Article 212 of the EC Treaty and Article 125 of the EAEC Treaty.

In accordance with the procedure described in the declaration on the system for fixing Community farm prices contained in the Accession Documents of 22 January 1972, the Commission will shortly be sending Parliament the 2003 Report on the Agricultural Situation in the European Union.

And, in accordance with an undertaking given to Parliament on 7 June 1971, the Commission is preparing its XXXIIIrd Annual Report on Competition Policy.

Yours faithfully,

Brussels, 10 February 2004

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President



Günter VERHEUGEN



Neil KINNOCK  
Vice-President



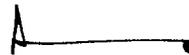
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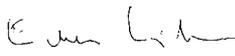
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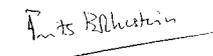
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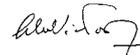
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## **NOTE**

Legislative instruments under the co-decision procedure are mentioned in the Report followed by '(Table I)'. Instruments under the consultation procedure are followed by '(Table II)'. International agreements are followed by '(Table III)'. No footnotes are given for these instruments, which are listed in three separate tables annexed to the Report. The relevant references (OJ, COM, Bull.) for all the stages of the legislative procedure concerning each instrument, together with the appropriate point numbers in the Report, are given in the tables.

As a rule, no references are given in the text for intermediate stages of procedures which started before 1 January 2003 and were not completed at 31 December 2003. These references also appear in the tables.

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## The European Union in 2003 — Overview

*One of the European Union's top priorities in 2003 was the completion of enlargement. In this connection the Treaty of Athens, signed on 16 April, marks the culmination in legal terms of the successful accession negotiations (concluded in Copenhagen in December 2002) with the 10 countries due to join the Union on 1 May 2004 (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia). But it is also very significant in political terms, as shown by the very prompt endorsement of the principle of accession by the future Member States, nearly all of which have formalised their commitment through referendums, giving the seal of popular approval to their accession. And although the ratification process is still running, several of the Fifteen had also completed the procedure by the end of 2003.*

*While the Treaty of Athens marked a major milestone, the build-up to enlargement was also making itself felt in 2003 in a number of areas.*

*Preparations within the Union for the arrival of the new Member States intensified as the year progressed, with changes both to the way in which the institutions' departments operate and to their programme of language training. Enlargement was also one of the reasons why the European Parliament, the Council and the Commission concluded an interinstitutional agreement aimed at promoting the objective of 'better lawmaking'. The 'enlargement' dimension was also increasingly visible in the formulation of many Community instruments: this was true in terms of both content, as in the case of the adjustment of the financial perspective and reform of the common agricultural policy, and modus operandi, with representatives of the future Member States being involved in the proceedings of the committees and other bodies participating in the consultation process; in operational terms too, more Community programmes have been extended to include the new Member States, particularly as implementation of the sixth research framework programme gets under way.*

*As far as the acceding countries are concerned, assimilation of the *acquis communautaire* — implicit in their application for membership — entered a decisive stage after several years of preparations and, except for a few unresolved issues, effectively brought the ‘pre-accession’ phase to a close. The support received from the Community played a valuable part in their efforts to strengthen their administrative and judicial capacity.*

*As for the three remaining candidate countries, the negotiations opened with Bulgaria and Romania several years ago have made substantial headway. Developments in Turkey over the last 12 months on the issue of compliance with the political criteria which are an essential part of the accession process have also been closely followed by the Community; and the Commission presented a proposal for strengthening its accession strategy.*

*With regard to a third group of countries, lightly pencilled in for membership, so to speak, namely the western Balkans, their ambition to become an integral part of the European Union in the longer term was also given encouragement in 2003 as the stabilisation and association process marking their road to Europe gained ground. This was clearly signalled by the Thessaloniki European Council in June and then by the European Union–Western Balkans Summit. Indeed Croatia has now presented a formal application for accession.*

*Lastly, the idea of a ‘neighbourhood policy’ for the countries at the external land and sea frontiers of the enlarged European Union, the outlines of which began to emerge in 2002, took more definite shape in 2003, thanks to the combined action of various Union institutions. Aimed at Russia, the newly independent States in the West and the countries of the southern Mediterranean, this policy was, in fact, the subject of two Commission communications and of statements of position by the Council, the European Council and the European Parliament. The Commission, in particular, reviewed the possibilities for creating a ‘new neighbourhood instrument’, possibly around the year 2006.*

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*Moving on to the Union’s internal policies, action to maintain the decisive momentum generated in 2002 and a range of new initiatives occupied centre stage against the backdrop of the long-term strategy sketched out by the Lisbon European Council in March 2000. But 2003 was clouded by the somewhat gloomy economic climate. The slow growth rate, still very much in evidence in the first half of the year, gave the lie to the hoped-for recovery, doing nothing to alleviate the serious problems encountered by some Member States in implementing the Stability and Growth Pact. Hence the Commission proposal to make use*

*of the headroom provided by the Pact to tackle the unfavourable cyclical conditions, while at the same time continuing its resolute defence of the correction of excessive deficits so as to prevent any deterioration in the viability of public finances, as had occurred in Germany and France.*

\*

*Generally, progress in most internal policy areas continued at a steady pace in 2003. But despite this trend the spring European Council stressed that there was still much to be done and that it was time for Member States to honour their commitments to embark on economic reform and translate their words into action.*

*After 10 years of a broadly open internal market, there was further consolidation in many sectors, as demonstrated by the significant development of the energy market and energy infrastructure, though this did not prevent the formulation of a new strategy approach for cooperation with countries outside the Union. Similarly, after 11 years on the table, the statute for a European cooperative society was finalised, supplementing the provisions of the statute for European companies, which finally saw the light of day in 2001.*

*The elements needed to achieve the strategy objectives established in 2000 in the Commission White Paper on food safety were also put in place.*

*With the 2000–05 social policy agenda at the halfway stage, a mid-term review resulted in changes to the programming instrument designed to enable its continuation under optimum conditions.*

*Finally, two years after the introduction of euro notes and coins, the euro is now accepted as a fact of life, both by the general public and by business and industry in the 12 Member States taking part. Despite the ‘no’ vote in the Swedish referendum on joining the euro area the euro’s role as a core currency and its performance on the exchange markets have been consolidated under the watchful eye of the European Central Bank. Somewhat paradoxically, this has made it necessary to increase protection against counterfeiting.*

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*Many of the internal policy achievements in 2003 are the result of positive developments initiated or completed in 2002.*

*On the legislative front, reform of the common agricultural policy in July was one of the year’s key achievements. Focusing more on consumers, the rationalisation of Community*

*expenditure, the environment and food safety, the new policy is based on decoupling subsidies and production, and aims to increase the competitiveness of European farmers while guaranteeing them a stable income. Following on the reform of the common fisheries policy in 2002, further measures were introduced, designed primarily to guarantee uniform and effective implementation and to promote management of the conservation and sustainable exploitation of fish stocks, particularly in the Mediterranean.*

*After a long period of gestation, legislation in another key area was finally adopted by the Council: the ‘tax package’ designed to combat harmful tax measures more effectively and to reduce distortions in the internal market, notably with regard to the taxation of savings. In the area of competition policy modernisation of the regulatory framework continued, with detailed provisions being put in place for the control of mergers and concentrations, primarily with an eye to enlargement. The Commission also began an in-depth review of the way in which the State aid rules are applied.*

*Significant progress was also made in pushing forward with establishment of the area of freedom, security and justice following the Seville European Council in June 2002, which gave top priority to the crackdown on illegal immigration and common management of the Union’s external borders. In particular, drawing on the momentum generated by the Thessaloniki European Council, the Union defined a status for long-term residents who are nationals of third countries and laid down minimum standards for the reception of asylum seekers and for the granting and withdrawal of refugee status. At the same time the formalities relating to freedom of movement and residence within the Union were the subject of work designed to ease them, and important measures were taken on cross-border judicial cooperation in civil, commercial and criminal matters.*

*The preoccupation expressed in 2002 with increasing security in the field of transport was translated into practice in a number of ways in 2003: in the air transport sector by the adoption of virtually the whole of the ‘single sky’ legislative package and by specific action to improve aircraft safety and to guarantee passengers’ rights; in the sea transport sector by a number of decisions to bring forward the timetable for phasing out single-hull oil tankers and to improve the standard of training for seafarers; and in the inland transport sector by completing or continuing work on legislation to improve road safety and road user safety in general.*

*On the operational front the framework and action programmes adopted in 2002 in the areas of research, environment and health moved into the implementation phase with the launch of several hundred projects and intense activity involving calls for proposals targeted at the relevant sectors. A number of European agencies for which the legal basis had*

*been established in 2002 became operational, including those for maritime safety and aviation safety, while the European Authority for Food Safety was also put in place. Finally, the Galileo joint undertaking for satellite radionavigation has been operational since September and is gradually being opened up to countries outside the Union.*

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*In parallel with these achievements resulting from momentum generated primarily in 2002, the year 2003 saw the launching of new initiatives across a wide range of sectors.*

*First, encouraged by the European Council and following intense preparations by the Commission, the Union launched a European initiative for growth in an attempt to respond proactively to the economic stagnation noted earlier and to achieve a long-term structural improvement in European competitiveness. The aim is two-fold: first, to stimulate investment in key projects, notably by means of a ‘package’ of almost 60 major trans-European transport network, energy, telecommunications and research projects involving global financing, in conjunction with the European Investment Bank and the private sector, estimated at EUR 10 billion per year between now and 2010, and also through increased investment in human capital; and second, to create conditions conducive to growth and employment through increased competitiveness and development of the social and environmental dimensions of growth. The initiative also incorporates a ‘quick start programme’. The Commission, for its part, recommended a series of urgent major measures to meet the objective advocated by the European Council of defining an integrated strategy for European competitiveness.*

*On the social front proper, the Union formulated a simplified and more effective European employment strategy based on a streamlined approach to the employment guidelines. The Commission also started work on streamlining policy cooperation processes in various areas of social protection and supported the Member States in their attempts to reform social protection systems.*

*In the area of the internal market, the Commission presented a Green Paper on services of general interest, in which it recommended a full review, beginning with a debate and public consultation, of Union policies on these services and addressed the issue of the feasibility of Union-wide legislation. At the crossroads between product policy and environmental concerns, the REACH system translated into practice the strategy sketched out by the Commission in 2001 in the area of chemical substances.*

*In the area of education and training, two key programmes were launched: ‘Erasmus Mundus’, which provides the basis for enhanced cooperation and greater mobility for students and teachers vis-à-vis third countries; and ‘eLearning’, designed to boost the integration of information and communication technologies within education and training systems.*

*There were also significant developments in consumer policy, with the Commission proposing Community rules to ban unfair commercial practices and outlining an action plan on European contract law. A financial framework for activities in support of consumer policy was also adopted.*

*Finally, the move towards setting up specialised agencies referred to earlier continued in 2003 in an attempt to improve the level of safety and security in a variety of areas. It is against this background that an agency for network and information security and a European agency for the management of operational cooperation at the external borders are soon to be established. Similarly, as a result of the serious problems worldwide following the outbreak of severe acute respiratory syndrome (SARS) in Asia, the Commission proposed setting up a European Centre for Disease Prevention and Control.*

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*Many of the developments in the area of external relations were dominated by the major event on the international scene in 2003, namely the American intervention in Iraq.*

*The choices made by some Member States in terms of attitude to or even involvement in the conflict brought to the surface divisions, sometimes very substantial, which undermined the Union’s ability to speak with a single voice on the world stage and raised a question mark over the transatlantic relationship.*

*Yet despite the differences, strengthening the transatlantic partnership was, from the very outset, termed a strategic priority by the European Council in Brussels in March. In Thessaloniki in June it reiterated the need for transatlantic relations to develop on an equal footing. In Brussels in December, following the opening of a new phase in the dialogue between the European Union and the United States at their annual summit together with specific progress on a number of economic and technical issues, it adopted a declaration reaffirming the Union’s full commitment to a constructive, balanced and forward-looking partnership based on shared values and common interests. The Iraq crisis also raised the more general problem of the existence of weapons of mass destruction allegedly possessed*

*by certain countries, and the Union made a point on several occasions of expressing its solidarity with the United States following North Korea's withdrawal from the Nuclear Non-Proliferation Treaty. Also worth noting in this context, though not directly linked, is the resolution of the dispute between the Community and the United States over trade in steel following a decision handed down by the World Trade Organisation in favour of the Community.*

*Even in the tense situation created by the crisis in Iraq, a trend that has gradually emerged over recent years became more evident in 2003, namely the importance attached by the Union to the role of the United Nations. In a direct reference to the conflict, the European Council made a point of stressing the importance of the fundamental role of the United Nations during and after the crisis and the primary responsibility of the Security Council for the maintenance of international peace and stability. For its part the Commission highlighted the dynamism of relations between the Union and the United Nations in a communication setting out the reasons for Europe's choice of multilateralism. The Commission also continued and stepped up its collaboration on the ground with various United Nations' agencies, which goes back several years now, particularly in respect of development cooperation. And, in a link-up with the issue of enlargement, it is also worth noting the strong support expressed by the Union for the efforts of the UN Secretary-General to reach a comprehensive settlement of the Cyprus problem.*

*At the outset of the crisis, the Union called on Iraq itself to undertake full and effective disarmament, while urging respect for the country's territorial integrity and for the rights of the Iraqi people, including minorities. Community action subsequently took the form of humanitarian aid, with almost EUR 70 million being channelled through ECHO mainly to restore healthcare services and water supplies. Humanitarian assistance to Iraq is very similar to that provided since 2001 to Afghanistan, where the Union's involvement in reconstruction continues, with special focus on the serious refugee problem.*

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*The key event in the area of common foreign and security policy (CFSP) was the adoption of a security strategy. The European Council in December warmly congratulated Mr Solana, High Representative for the CFSP, on the work accomplished to this end, and called on him and the incoming Presidency to present concrete proposals for implementation, focusing on multilateralism — with the UN at its core — and on the fight against terrorism. The European Council also endorsed a strategy against the proliferation of weapons of mass destruction, a crucial element of the security strategy.*

*In an attempt to increase its capacity to react to threats and challenges on the world scene, the Union became more actively involved in crisis management in 2003. It continued, as before, to contribute to the resumption of dialogue between warring parties but it also launched operations on the ground in a number of third countries on the basis of international mandates, reflecting the desire to give more specific shape to a European security and defence policy. The European Union Police Mission, the legal basis for which was established in 2002, started operations in Bosnia and Herzegovina on 1 January. Also in the western Balkans, the Union took over from NATO in the Former Yugoslav Republic of Macedonia, with the military operation code-named 'Concordia', followed some time later by the Police Mission code-named 'Proxima'. And, on the African continent, it launched the 'Artemis' military operation in the Democratic Republic of the Congo to stabilise the security and humanitarian situation in the Ituri region. The European Council also advocated setting up an intergovernmental defence agency while, on the industrial front, the Commission presented a proposal for a European defence equipment policy.*

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*In the area of common commercial policy, despite the major effort invested by the Union in pressing forward with the agenda agreed in Doha in 2001, multilateral negotiations marked time following the failure of the World Trade Organisation ministerial conference in Cancún, Mexico, in September. By contrast, the negotiation of regional economic partnership agreements with Africa, the Caribbean and the Pacific, launched in 2002, moved into a highly active phase.*

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*The Union's relations with many areas of the world are steadily being placed on a more structured footing, and the keyword in 2003, as ever, was partnership. For the western Balkans, besides the matters mentioned earlier regarding the prospects of eventual accession to the Union, the 'agenda' agreed in Thessaloniki gave the starting signal for an enriched cooperation process based on new joint commitments, while negotiations opened with Albania on a stabilisation and association agreement. For the countries of the southern Mediterranean, a series of Euro-Mediterranean ministerial conferences brought fresh progress in implementing the Barcelona process guidelines. The Union was also keen to reaffirm its support for the Middle East peace process in various ways, despite the extreme tension in the region, which was heightened even further by the fallout from the Iraq crisis. Regular political dialogue with the countries of eastern Europe continued and, indeed, the structures for dialogue with Russia were reinforced through the creation of a Permanent Partnership Council as the centrepiece of relations with that country, in place of the existing Cooperation*

*Council. As regards Asia, strategic guidelines were defined by the Commission with a view to a new partnership with the Association of South-East Asian Nations and other countries in the region while, turning to Latin America, agreements were signed to intensify political dialogue with the Andean countries and the countries of Central America. The main development in relations with the African, Caribbean and Pacific countries was the entry into force of the Cotonou Partnership Agreement at the end of a lengthy ratification process; the impetus this gave to implementation of the ninth European Development Fund did not prevent the Community from keeping a vigilant watch on respect for human rights and democracy in those countries and, if need be, invoking the provisions allowing cooperation to be suspended in the case of serious violations, as in the past.*

*The central focus of the Union's development cooperation policy remained poverty reduction, as part of the 'millennium objectives' defined at global level in 2000. The Union also followed up the commitments given in 2002 at the Monterrey International Conference on Financing for Development and at the Johannesburg Summit on Sustainable Development: with the latter aspect especially in mind, a variety of initiatives were prepared or launched in the fields of water and energy supply and forest conservation.*

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*On the broader institutional front, the year 2003 has been a period of continuation, completion and transition.*

*First of all, the new financial regulation of June 2002 applicable to the Community budget came into force from 1 January. One major consequence — first reflected in the 2004 budget — is that the structure of the budget is now based on policy areas. Application of the new regulation also involved the modernisation of financial management as a whole and greater transparency in the system governing contracts concluded by the Community. This last issue gained some prominence as a result of the reverberations from the Statistical Office (Eurostat) affair relating to its past management, and the efforts made reflect the desire to do more to prevent the risk of fraud in this connection.*

*The reform of the Commission, launched in 2000 on the basis of its White Paper, is now nearing completion in many areas. Besides the effort to modernise and simplify working methods, one of the most notable areas of progress has been in devolving the management of external aid to the Commission delegations, which entered its final phase in 2003. Another major step forward was the adaptation of the Staff Regulations for the personnel working for the Community institutions, on which political agreement was reached in the Council.*

*Lastly, the progress made in 2003 in relations between the institutions bore fruit in terms of both substance and working methods: as mentioned above, under an interinstitutional agreement, the European Parliament, the Council and the Commission agreed on the principles that each institution must observe in order to advance the goal of 'better lawmaking'. Similarly, the three institutions embarked on and pursued a structured dialogue on the priorities and key initiatives for 2004, while the Council's preparation of a multiannual strategic programme for 2004–06 was accompanied by an interinstitutional initiative.*

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*More generally, one of the dominant features of the year, once again, was work relating to the future of the Union.*

*The provisional, but highly significant, upshot was the outcome of the Convention on the Future of the European Union. After the periods of listening and reflecting which succeeded one another in 2002, the Convention's activities entered a third and final phase in 2003, focusing on the drawing-up of a draft Constitution. The resulting draft Treaty was presented to the European Council in Thessaloniki in June. The text contains many innovations, for instance incorporating the Charter of Fundamental Rights into the corpus of the Treaty, making co-decision the standard legislative procedure, extending qualified-majority voting in the Council, doing away with the separate pillars and creating the position of EU Foreign Minister. The Thessaloniki European Council, welcoming the results, stressed in particular that the Convention had proven its worth as a forum for democratic dialogue between representatives of governments, national parliaments, the European Parliament, the Commission and civil society, and concluded that the draft Constitutional Treaty offered a sound starting point for the Intergovernmental Conference (IGC).*

*The IGC opened in Rome on 4 October, aiming to complete the drafting of the new Treaty by June 2004, in other words in time to enable citizens to consider it before the European Parliament elections. It held several ministerial sessions in the run-up to the meeting of Heads of State or Government in Brussels on 12 and 13 December, which was also attended by the leaders of the future Member States. Despite the hopes entertained in some quarters, the meeting failed to produce any overall agreement, the main point of difference being the scope of qualified-majority voting and the weightings that should apply, and the size of the Commission in a Union of 25.*

*As a result, the question of the Constitutional Treaty's adoption has now been put on hold. However, the degree of uncertainty this poses, heightened by a measure of disappointment given the public expectations regarding the progress of the IGC, should not be exagger-*

*ated, and it would be wrong to say there was any risk of a legal vacuum — for at least two reasons. First, in very general terms, the intrinsic value of the *acquis communautaire* in the strict sense during this period of transition cannot be ignored. It is the foundation and record of the whole history of Community legislation and at the same time marks acceptance of this history by the new Member States, as shown by the conclusion of the negotiations with the candidate countries and the signature of the Treaty of Athens. This legacy constitutes, so to speak, the soil in which the future endeavours of the Community will take root, whatever expectations there may be as to the functioning of the institutions in the years ahead. And the second reason is precisely that — pending finalisation of a new Treaty — the Treaty of Nice, itself the first adaptation of the earlier Treaties to accommodate enlargement, came into force on 1 February and is now being applied. It therefore already constitutes a valid basis on which the institutions can operate as soon as the Union of 25 comes into existence, in principle on 1 May 2004.*

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*In the light of all this, the year 2003 may well go down in the history of the European Union as the year of the Treaty of Athens. In a way this is highly appropriate: as the birthplace of European civilisation, the city has a name as laden with symbolism as that of Rome, that other crucible of western culture, which gave its name to the Treaties founding the European Communities signed there in 1957. And the Treaty signed at the foot of the Acropolis on 16 April, setting in stone an enlargement unprecedented in the patient endeavour of building Europe, unquestionably represents a ground-breaking step in the reuniting of the continent.*



## Chapter I

# Institutional questions and the future of the Union

## Section I

### Treaty of Nice <sup>(1)</sup>

1. *Entry into force of the Treaty.* Signed in Nice on 26 February 2001 <sup>(2)</sup> and ratified by the 15 Member States <sup>(3)</sup>, the Treaty amending the Treaty on European Union and the Treaties establishing the European Communities entered into force on 1 February <sup>(4)</sup>, i.e. the first day of the second month following that in which the instrument of ratification was deposited by Ireland, the last Member State to complete that formality, on 18 December 2002 <sup>(5)</sup>.

The changes introduced by the new Treaty are mainly concerned with making the necessary institutional adjustments to cope with enlargement (e.g. the composition of the European Parliament and of the Commission; weighting of votes in the Council); extending the scope of qualified-majority voting within the Council and of the co-decision procedure; reforming the Union's judicial system to cope with the Court of Justice's case overload; and improving the procedure for detecting a clear danger of a Member State committing a serious breach of fundamental rights.

In a communication of 6 February, relating to the consequences of the entry into force of the Treaty of Nice for current legislative procedures <sup>(6)</sup>, the Commission indicated that

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<sup>(1)</sup> OJ C 80, 10.3.2001. Further information is available on the Europa server ([http://europa.eu.int/comm/nice\\_treaty/index\\_en.htm](http://europa.eu.int/comm/nice_treaty/index_en.htm)).

<sup>(2)</sup> 2001 General Report, point 1.

<sup>(3)</sup> 2002 General Report, Table 1.

<sup>(4)</sup> Bull. 1/2-2003, point 1.1.1.

<sup>(5)</sup> 2002 General Report, point 3.

<sup>(6)</sup> COM(2003) 61; Bull. 1/2-2003, point 1.1.2.

these procedures would be amended for some pending proposals on account of the extended scope of co-decision and of qualified-majority voting, and that the legal basis of a smaller number of proposals would be changed.

## Section 2

# Future of the Union

## Overview

2. *The ‘summarising’ phase of the work of the Convention on the Future of the Union culminated in the presentation, in June, of a draft Treaty establishing a Constitution for Europe. This fundamental stage in the process of European integration was welcomed by all the institutions and the Thessaloniki European Council. The Heads of State or Government considered the draft Constitutional Treaty to be a good starting point for the Intergovernmental Conference. Convened by the Italian Presidency, the Intergovernmental Conference opened on 4 October. In the wake of the European Council’s failure to reach agreement at its meeting in Brussels on 12 and 13 December, it will be up to the Irish Presidency, in 2004, to relaunch the negotiations.*

## Convention on the Future of the European Union <sup>(1)</sup>

### General aspects

3. Following the listening phase <sup>(2)</sup> and the deliberating phase <sup>(3)</sup>, which took place in 2002, the work of the Convention in 2003 entered the ‘summarising’ phase, the purpose of which was to draw conclusions from the work and to prepare a draft Constitutional Treaty (→ point 15). The underlying feature of this phase was the production of a draft Constitution for Europe <sup>(4)</sup>, which was presented to the Thessaloniki European Council of 19 and 20 June <sup>(5)</sup>.

### Work schedule

4. The ‘summarising’ phase took up the first seven months of the year. The 14th session of the Convention <sup>(6)</sup>, on 20 and 21 January, was devoted to a debate on the functioning and reform of the European institutions. Following a general introduction by the Chairman, Mr Giscard d’Estaing, discussion focused essentially on a Franco-German proposal to create the post of full-time President of the Council. This solution was rejected by a majority of the Convention. For its part, the European Parliament had called on the Con-

<sup>(1)</sup> <http://european-convention.eu.int>.

<sup>(2)</sup> 2002 General Report, point 9.

<sup>(3)</sup> 2002 General Report, point 10.

<sup>(4)</sup> [http://europa.eu.int/futurum/constitution/index\\_en.htm](http://europa.eu.int/futurum/constitution/index_en.htm).

<sup>(5)</sup> Bull. 6-2003, point I.3.

<sup>(6)</sup> Bull. 1/2-2003, point 1.1.9.

vention, on 16 January <sup>(1)</sup>, to write into the future Constitution the principle that the President of the Commission should be elected by the European Parliament.

At the 15th session on 6 and 7 February <sup>(2)</sup>, discussions focused on the report by the working group on social Europe, and on the regional and local dimension in Europe. Mr Giscard d'Estaing also put forward, on behalf of the Praesidium, 16 articles of the draft Constitution. These provisions, along with a number of proposed amendments, were discussed at the 16th session on 27 and 28 February <sup>(3)</sup>. This discussion took place against the backdrop of the Iraq crisis, which had an undoubted effect on the debate given the Union's failure to adopt a common diplomatic approach. Work on the competences of the Union required an additional session, which was held on 5 March <sup>(4)</sup>.

The 17th session of 17 and 18 March <sup>(5)</sup> centred on the presentation of draft articles on the Union's finances and on the area of freedom, security and justice, along with discussion of the draft provisions concerning exercise of the Union's competences, subsidiarity, proportionality and the role of national parliaments. At an additional session, held on 26 March <sup>(6)</sup>, discussions focused on the Union's values and objectives and on the question of incorporating the Charter of Fundamental Rights <sup>(7)</sup> into the future Constitution.

During the 18th session, held on 3 and 4 April <sup>(8)</sup>, discussions centred on the draft articles concerned with the area of freedom, security and justice, and finances. Mr Dehaene, Vice-Chairman, also presented draft articles on the democratic life of the Union, on the Union and its immediate environment, and on Union membership. These provisions were discussed, on 24 and 25 April <sup>(9)</sup>, at a session which was also marked by the presentation of articles on the institutions and external relations. On 15 and 16 May <sup>(10)</sup>, the 20th session was taken up by a general debate on the institutions.

At the 21st session, held on 30 and 31 May <sup>(11)</sup>, Mr Giscard d'Estaing presented the full draft Constitutional Treaty as prepared by the Praesidium and in the light of amendments tabled by the members of the Convention. What emerged was a clear desire on the part of a majority of the members to strengthen the provisions on economic governance and extend the use of majority voting.

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<sup>(1)</sup> Bull. 1/2-2003, point 1.1.12.

<sup>(2)</sup> Bull. 1/2-2003, point 1.1.10.

<sup>(3)</sup> Bull. 1/2-2003, point 1.1.11.

<sup>(4)</sup> Bull. 3-2003, point 1.1.5.

<sup>(5)</sup> Bull. 3-2003, point 1.1.6.

<sup>(6)</sup> Bull. 3-2003, point 1.1.7.

<sup>(7)</sup> OJ C 364, 18.12.2000; 2000 General Report, point 15 et seq.; Internet ([http://europa.eu.int/comm/justice\\_home/unit/charte/index\\_en.html](http://europa.eu.int/comm/justice_home/unit/charte/index_en.html)).

<sup>(8)</sup> Bull. 4-2003, point 1.1.1.

<sup>(9)</sup> Bull. 4-2003, point 1.1.2.

<sup>(10)</sup> Bull. 5-2003, point 1.1.1.

<sup>(11)</sup> Bull. 5-2003, point 1.1.2.

Discussions at the 22nd session, held on 5 June <sup>(1)</sup>, focused on the need to have an option-free text for the Thessaloniki European Council, the wording of the preamble to the Constitution, the Union's values and objectives, enhanced cooperation, extension of qualified-majority voting and decision-making in the field of common foreign and security policy (CFSP) and defence.

The 23rd session of the Convention was held from 11 to 13 June <sup>(2)</sup>. It gave rise to a debate on new versions of various points in the draft Constitutional Treaty and to the tabling of final amendments. Despite certain reservations on the proposed text, a number of members of the Convention expressed their confidence in the draft.

5. Subsequent to this work, the draft Treaty establishing a Constitution for Europe was presented to the Thessaloniki European Council of 19 and 20 June. The text breaks new ground in many ways as regards the European Union's revised remit, more especially: incorporating the Charter of Fundamental Rights into the corpus of the Treaty; conferring a single legal personality on the Union; economic governance and external representation of the euro; generalising the co-decision legislative procedure; extending the scope for qualified-majority voting within the Council; clarifying the competences devolved to the Union and to the Member States; creating a single Treaty and removing the pillar structure; applying the Community method to various aspects of justice and home affairs; creating the function of Foreign Affairs Minister for the Union; integrating specific provisions for the implementation of foreign, security and defence policy.

6. The Thessaloniki European Council's work started with the presentation of the draft European Constitution by Mr Giscard d'Estaing <sup>(3)</sup>. Welcoming this outcome, the European Council said that this formal presentation marked a historic stage in achieving the objectives of European integration. It stressed that the Convention had proved its worth as a forum for democratic dialogue between the representatives of governments, national parliaments, the European Parliament, the Commission and civil society. The European Council also felt that the draft Constitutional Treaty was a good starting point for the Intergovernmental Conference (→ points 9 et seq.), which would then have to complete its task and approve the Treaty in time to allow the people of Europe to gain knowledge of it before the European Parliament elections of June 2004.

7. The Chairman of the Convention reported on this aspect of the European Council to the 24th session of the Convention, held on 4 July <sup>(4)</sup>, at which discussions centred on institutional questions, the CFSP, services of general interest, and the coordination of economic policies.

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<sup>(1)</sup> Bull. 6-2003, point 1.1.2.

<sup>(2)</sup> Bull. 6-2003, point 1.1.3.

<sup>(3)</sup> Bull. 6-2003, point 1.3.

<sup>(4)</sup> Bull. 7/8-2003, point 1.1.2.

The 25th and last session of the Convention was held on 9 and 10 July <sup>(1)</sup>. In response to discussions held the previous day, the Praesidium made final amendments to the draft Constitution as drawn up by the Convention, including the insertion of provisions on: the symbols of the European Union (flag, anthem, currency, Europe Day on 9 May); specific forms of open coordination in a number of fields (social policy, research, public health, industry); maintenance of the European Parliament's rights in terms of setting up the European external action service; and future revision of the European Constitution. A further amendment upheld the principle of unanimous voting for agreements in the field of cultural and audiovisual services. However, the merging of the Communities within the Union was limited to the European Community, with the legal personality of the European Atomic Energy Community being maintained. The legal personality conferred on the Union under the draft Treaty is therefore not single.

## Debate on the future of the European Union

8. The forum on the future of the European Union <sup>(2)</sup>, which was set up by the Convention with a view to broadening the debate on the future of the Union and bringing in all European citizens, as provided for in the European Council's Laeken Declaration <sup>(3)</sup>, continued its activities in conjunction with civil society organisations and the public at large. The Internet site, run by the Commission, received and published more than 1 500 contributions sent to members of the Convention. A number of meetings between members of the Convention and civil society were organised with the backing of the European Economic and Social Committee. For its part, the Commission continued its work of accompanying and facilitating the public debate. The multilingual Internet website 'Futurum' <sup>(4)</sup>, the interinstitutional portal for the debate, featured all the documents and links concerning the future of the Union. The special area for public participation generated a series of online discussions. In addition, the Commission supported and gave impetus to the 'Spring Day in Europe' operation; a group set up by members of the Commission got more than 5 500 schools to involve their pupils and teachers in discussing the future of Europe. Using multilingual information resources, available by download <sup>(5)</sup>, the Commission also took steps to get the results of the Convention widely distributed, presented and explained to a variety of target groups. At a more decentralised level, a wide range of events, in the form of talks and debates, were organised on the initiative of regional and local authorities, and were supported by the Commission to help broaden the pluralist debate on the preparation of the European Constitution, and to give as many people as possible access to the debate.

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<sup>(1)</sup> Bull. 7/8-2003, point 1.1.3.

<sup>(2)</sup> [http://europa.eu.int/futurum/forum\\_convention/index\\_en.htm](http://europa.eu.int/futurum/forum_convention/index_en.htm).

<sup>(3)</sup> 2001 General Report, point 13.

<sup>(4)</sup> [http://europa.eu.int/futurum/index\\_en.htm](http://europa.eu.int/futurum/index_en.htm).

<sup>(5)</sup> [http://europa.eu.int/futurum/comm/index\\_en.htm](http://europa.eu.int/futurum/comm/index_en.htm).

## Intergovernmental Conference (IGC) <sup>(1)</sup>

9. The Thessaloniki European Council <sup>(2)</sup> invited the future Italian Presidency to implement the procedure for revising the Treaties as laid down in Article 48 of the Treaty on European Union, with a view to calling an Intergovernmental Conference.

10. On 24 September, the European Parliament delivered a favourable opinion <sup>(3)</sup> on the convening of the IGC. It called on the IGC to approve the draft Constitution without altering its basic balance. It welcomed the democratic advances, such as the binding nature of the Charter of Fundamental Rights, the ‘new legislative procedure’ and the extension of co-decision procedures, the election of the President of the Commission by the Parliament, and the enhanced role of national parliaments. It further welcomed the greater transparency brought about by giving the Union a single legal personality, and the removal of the pillar structure, together with the explicit recognition of the primacy of the Constitution and of Union law. The extension of majority voting likewise received its approval. On the other hand, Parliament expressed doubts about the election of the President of the European Council, citing the risk of institutional imbalance which might ensue. It also expressed concern at the lack of progress in terms of economic and social cohesion policy, and the maintenance of unanimity for all matters having to do with common foreign and security policy. In a resolution adopted on 23 October <sup>(4)</sup>, in the wake of the European Council of 16 and 17 October, and having regard to the Convention’s draft text, Parliament stressed the need to maintain both the Legislative Council and the agreement reached on the Foreign Affairs Minister for the Union.

11. The Commission’s backing for the convening of the IGC was meanwhile given in an opinion adopted on 17 September <sup>(5)</sup>. Without calling into doubt the compromise achieved by the Convention, the Commission suggested a number of improvements and clarifications. It was in favour of keeping the one Commissioner per Member State rule, and favoured a greater degree of decentralisation of decision-making within the Commission. It also proposed ways and means of reducing the veto risk by cutting down on the number of unanimous votes within the Council, or by making certain changes. The Commission also hoped that revisions of the Constitution might be adopted according to more flexible procedures on points which did not affect the competences of the Union or its institutional balance. On the question of economic governance, the Commission felt that the Constitution should allow the Member States of the ‘euro zone’ to conduct more coordinated economic policies.

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<sup>(1)</sup> <http://ue.eu.int/igc/index.asp?lang=EN>.

<sup>(2)</sup> Bull. 6-2003, point 1.3.

<sup>(3)</sup> Bull. 9-2003, point 1.1.1.

<sup>(4)</sup> Bull. 10-2003, point 1.1.3.

<sup>(5)</sup> COM(2003) 548; Bull. 9-2003, point 1.1.2.

12. In an opinion adopted on 19 September <sup>(1)</sup>, the European Central Bank (ECB) also welcomed the draft Treaty establishing the Constitution. Concentrating on aspects to do with economic and monetary union, it reiterated the importance of stability as the Union's guiding principle. It also wanted to be recognised by the Constitution as a fully-fledged part of the 'institutional framework of the Union', and wanted the responsibilities of the European System of Central Banks to be reflected in the Constitution.

13. In an opinion adopted on 24 September <sup>(2)</sup>, the European Economic and Social Committee called on the IGC not to upset the general balance of the draft Constitution; it welcomed the democratic way in which the text had come into being. The Committee wanted to see its own scope of consultation broadened, and the role of civil society organisations acknowledged. It also underscored the inadequacies of the draft in terms of economic governance, coordination of economic and social policies, and governance of the euro zone, and regretted the fact that qualified-majority voting had not become the general rule.

14. The Committee of the Regions for its part endorsed the draft Constitution on 9 October <sup>(3)</sup>. It called on the Intergovernmental Conference not to upset the institutional balance which had been achieved. The Committee also wanted areas of mandatory consultation to be extended, regional ministers to be given the right to take part in Council meetings, and a legal basis to be created for cross-border and interregional cooperation.

15. *Work of the Intergovernmental Conference (IGC)*. Following the favourable outcome of consultations with the other institutions and bodies, the Council authorised the IGC meeting on 29 September. On 4 October <sup>(4)</sup>, with their 'Rome Declaration', the Heads of State or Government opened the IGC by asserting that the draft Treaty drawn up by the Convention provided a good starting point for their work, and they hoped to complete their task before the European Parliament elections in June 2004. At the Brussels European Council of 16 and 17 October <sup>(5)</sup>, they addressed certain institutional matters.

The ministerial meetings of the IGC, chaired by Mr Frattini, Italy's Minister for Foreign Affairs and President of the Council, were attended by ministers from the 25 current and future Member States and the Commission, with representatives of the three candidate countries as observers participating fully in the discussions. The first meetings were held in Rome, Luxembourg and Brussels on 4 <sup>(4)</sup>, 13 <sup>(6)</sup> and 27 <sup>(7)</sup> October respectively. Discussions focused on the number and the presidency of the Council formations, the scope of qualified-majority voting, the composition of the Commission, the status of the

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<sup>(1)</sup> OJ C 229, 25.9.2003; Bull. 9-2003, point 1.1.3.

<sup>(2)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.1.4.

<sup>(3)</sup> Bull. 10-2003, point 1.1.8.

<sup>(4)</sup> Bull. 10-2003, point 1.1.4.

<sup>(5)</sup> Bull. 10-2003, point 1.1.6.

<sup>(6)</sup> Bull. 10-2003, point 1.1.5.

<sup>(7)</sup> Bull. 10-2003, point 1.1.7.

Foreign Affairs Minister and the policies of the Union. At the fourth ministerial meeting, held in Rome on 18 November <sup>(1)</sup>, the provisions on the Foreign Affairs Minister, the revision of the Treaty, the ‘bridging’ clauses and the protocol on Denmark’s position in the field of justice and home affairs were discussed. On 28 and 29 November, the Naples ‘conclave’ <sup>(2)</sup> provided an opportunity for three further ministerial sessions, the first of which looked at aspects of the legal revision of the Constitution, the values of the Union, the Charter of Fundamental Rights, economic, financial and budgetary provisions, matters to do with the area of freedom, security and justice, and social policy; discussions at the second and third sessions focused on the other policies of the Union, European defence policy, institutional questions and, lastly, the common foreign and security policy. An extra ministerial meeting, held in Brussels on 8 December, focused on security and defence policy, and the budgetary procedure <sup>(3)</sup>.

The Brussels European Council of 12 and 13 December <sup>(4)</sup> failed to reach agreement on adoption of the draft Constitution. The disagreement mainly surrounded the question of qualified-majority votes and their distribution.

16. In a resolution adopted on 18 December <sup>(5)</sup>, the European Parliament deplored the failure of the European Council. It had earlier, on 4 December <sup>(6)</sup>, called on the Heads of State or Government to overcome their differences and to give stronger support to the provisions set out in the Convention’s draft text. Pointing to the shortcomings of the inter-governmental method, Parliament deplored the lack of focus on the common European interest. It asked the Italian Presidency to list all the areas of agreement and called on the forthcoming Irish Presidency to reconvene the IGC with a view to reaching a consensus before 1 May 2004.

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<sup>(1)</sup> Bull. 11-2003, point 1.1.1.

<sup>(2)</sup> Bull. 11-2003, point 1.1.2.

<sup>(3)</sup> Bull. 12-2003, point 1.1.4.

<sup>(4)</sup> Bull. 12-2003, point 1.1.5.

<sup>(5)</sup> Bull. 12-2003, point 1.1.6.

<sup>(6)</sup> Bull. 12-2003, point 1.1.3.

*Section 3***Relations with civil society <sup>(1)</sup>**

17. *Standards for consultation.* The general principles and minimum standards adopted by the Commission on 11 December 2002 for consultation of interested parties <sup>(2)</sup> came into force on 1 January. Designed to act as a coherent and flexible framework for ensuring that all interested parties are properly consulted, the instrument was targeted initially at applying minimum standards to proposals requiring in-depth impact assessment prior to adoption. A list of proposals subject to this procedure was drawn up as part of the Commission's legislative and work programme for 2003 <sup>(3)</sup>. In a resolution on European governance adopted on 4 December (→ point 23), the European Parliament welcomed the approach taken by the Commission in the interests of civil society.

As provided for in the minimum standards, the 'Your Voice in Europe' portal <sup>(4)</sup> became operational in January as a one-stop consultation access point supplying information, by specific fields of activity, on consultation exercises which the Commission has thrown open to the public. In 2003, 21 consultation procedures were given special publicity on this portal; for six of them, the online questionnaire linked to the interactive policy-making (IPM) initiative (→ point 22) was used.

18. *Participation in the debate on the future of the European Union.* In cooperation with the Convention on the Future of the Union, the European Economic and Social Committee continued to organise regular information and dialogue meetings with civil society organisations and networks within the Union on the work of the Convention (→ point 8). On 30 and 31 January, the Committee organised a seminar on the Convention and the future of Europe, with the participation of representatives of civil society organisations from the candidate countries.

19. *Support for civil society in third countries.* On 15 May, the European Economic and Social Committee formulated proposals for strengthening the role of civil society in south-east Europe (→ point 868). On 16 July, the Committee delivered an opinion on the role of civil society in European development policy (→ point 845).

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<sup>(1)</sup> [http://europa.eu.int/comm/civil\\_society/index\\_en.htm](http://europa.eu.int/comm/civil_society/index_en.htm).

<sup>(2)</sup> COM(2002) 704; 2002 General Report, point 17; Internet ([http://europa.eu.int/comm/secretariat\\_general/sgc/consultation/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/sgc/consultation/index_en.htm)).

<sup>(3)</sup> COM(2002) 590; 2002 General Report, point 1094.

<sup>(4)</sup> [http://europa.eu.int/yourvoice/consultations/index\\_en.htm](http://europa.eu.int/yourvoice/consultations/index_en.htm).

*Section 4***Transparency** <sup>(1)</sup>

20. *Commission initiatives.* In line with its policy in recent years of promoting transparency, the Commission published its work programme for 2003 on its Europa Internet server <sup>(2)</sup>, and adopted several Green Papers and White Papers for the purposes of consultation or public debate <sup>(3)</sup>.

21. *Public access to documents* <sup>(4)</sup>. The first annual reports on the implementation of Regulation (EC) No 1049/2001 regarding public access to European Parliament, Council and Commission documents <sup>(5)</sup> were adopted by the Council on 8 April <sup>(6)</sup> and the Commission on 29 April <sup>(7)</sup>. On 25 September <sup>(8)</sup>, Parliament adopted a resolution in which it welcomed progress on transparency, while pointing out that certain practices do not comply with the regulation. The resolution also suggests possible improvements in document management with a view to making them more accessible. On 11 February <sup>(9)</sup> the Committee of the Regions adopted a decision enshrining the principle whereby the public will have a right of access to its documents, subject to the principles, conditions and limits set out in the above Regulation (EC) No 1049/2001. On 1 July <sup>(10)</sup> the European Economic and Social Committee in its turn adopted a similar decision. In addition, as part of the recasting of the financial rules applicable to the decentralised Community bodies (→ point 1051) new provisions were introduced in order to make Regulation (EC) No 1049/2001 applicable to documents held by those bodies. On 22 September, the Council amended the regulation concerning to opening to the public of the historical archives of the Community (→ point 1052). The interinstitutional committee set up to coordinate implementation of Regulation (EC) No 1049/2001 by the three institutions <sup>(11)</sup> met in Strasbourg on 23 September.

22. *Legislative transparency.* Parliament, the Council and the Commission continued their efforts to make documents linked to the lawmaking process directly available, with the aid of registers where appropriate. The Commission also publishes its meeting agendas

<sup>(1)</sup> Further information is available on the Europa server (<http://europa.eu.int/scadplus/leg/en/lvb/a18000.htm>).

<sup>(2)</sup> COM(2002) 590; 2002 General Report, point 1094; [http://europa.eu.int/comm/off/work\\_programme/index\\_en.htm](http://europa.eu.int/comm/off/work_programme/index_en.htm)

<sup>(3)</sup> [http://europa.eu.int/documents/comm/index\\_en.htm](http://europa.eu.int/documents/comm/index_en.htm).

<sup>(4)</sup> [http://europa.eu.int/comm/secretariat\\_general/sgc/acc\\_doc/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/sgc/acc_doc/index_en.htm).

<sup>(5)</sup> OJ L 145, 31.5.2001; 2001 General Report, point 21.

<sup>(6)</sup> Bull. 4-2003, point 1.1.4.

<sup>(7)</sup> COM(2003) 216; Bull. 4-2003, point 1.1.5.

<sup>(8)</sup> Bull. 9-2003, point 1.1.7.

<sup>(9)</sup> Decision No 64/2003 (OJ L 160, 28.6.2003).

<sup>(10)</sup> Decision 2003/603/EC (OJ L 205, 14.8.2003; Bull. 7/8-2003, point 1.1.4).

<sup>(11)</sup> 2002 General Report, point 21.

and ordinary minutes on the Internet <sup>(1)</sup>. In a resolution adopted on 25 September <sup>(2)</sup>, Parliament welcomed the increase in the number of documents made available to citizens but called for more to be done in this regard; in particular, it urged the Council to provide access to the positions of the national delegations at the time of the decision-making process, and the Commission to set up a single electronic register and to provide up-to-date information on websites. The feedback mechanism in the Commission's interactive policy-making (IPM) <sup>(3)</sup> initiative was improved in January. This tool enables Commission departments to be informed, during the decision-making process, of the problems arising in connection with Community legislation in the Member States and their adverse impact on firms and citizens. Moreover, it enables the Commission to base its proposals on needs felt on the ground and to demonstrate the legitimacy of certain political decisions.

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<sup>(1)</sup> [http://europa.eu.int/comm/secretariat\\_general/meeting/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/meeting/index_en.htm).

<sup>(2)</sup> Bull. 9-2003, point 1.1.7.

<sup>(3)</sup> 2001 General Report, point 20; 2002 General Report, point 25; Internet (<http://europa.eu.int/yourvoice/ipm/>).

*Section 5***Governance** <sup>(1)</sup>

23. *Implementation of the White Paper on European governance* <sup>(2)</sup>. In an opinion delivered on 2 July <sup>(3)</sup>, the Committee of the Regions came out in favour of nearly all the items dealt with in a series of Commission communications presented in December 2002 <sup>(4)</sup> following up many of the measures set out in the White Paper, including: application of the principles of subsidiarity and proportionality; regulatory instruments; impact assessment; use of scientific expertise; constant dialogue with local and regional authorities; target-based tripartite contracts and agreements. The European Parliament meanwhile, in a resolution on European governance adopted on 4 December <sup>(5)</sup>, called for greater interinstitutional cooperation between it, the Council and the Commission, with a view to carrying out the action identified in the White Paper, and supported the Commission's initiatives for implementing various strands of both the action plan and the interinstitutional agreement on better lawmaking (→ points 24 and 41), with particular emphasis on reducing the volume of legislation and simplifying it, and bringing in experts. It also supported the efforts of the European institutions to enhance participatory democracy and to boost the EU contribution to global governance.

24. *Interinstitutional agreement*. Following on from the conclusions of the Seville <sup>(6)</sup> and Brussels <sup>(7)</sup> European Councils, the President of the Council, the Vice-President of the Commission and the representatives of the European Parliament came, on 3 June, to a political agreement on a draft interinstitutional agreement, which was subsequently adopted by the Council on 16 June <sup>(8)</sup> and by Parliament on 9 October <sup>(9)</sup>. The three institutions agreed, in exercising their respective powers, to abide by general principles such as democratic legitimacy, subsidiarity and proportionality, legal certainty, the promotion of simplicity, clarity and consistency in the drafting of laws, and the utmost transparency of the legislative process.

25. *Role of regional and local authorities*. In a resolution adopted on 14 January <sup>(10)</sup>, the European Parliament backed the formulation, especially in the future European Constitution (→ point 4), of new forms of participation that acknowledge the key role of regional

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/governance/index\\_en.htm](http://europa.eu.int/comm/governance/index_en.htm)).

<sup>(2)</sup> COM(2001) 428; 2001 General Report, point 24 and 25; Internet ([http://europa.eu.int/comm/governance/white\\_paper/index\\_en.htm](http://europa.eu.int/comm/governance/white_paper/index_en.htm)).

<sup>(3)</sup> OJ C 256, 24.10.2003.

<sup>(4)</sup> 2002 General Report, point 24.

<sup>(5)</sup> Bull. 12-2003, point 1.1.7.

<sup>(6)</sup> Bull. 6-2002, point 1.6; 2002 General Report, point 25.

<sup>(7)</sup> Bull. 3-2003, point 1.10.

<sup>(8)</sup> Bull. 6-2003, point 1.1.5.

<sup>(9)</sup> Bull. 10-2003, point 1.1.9.

<sup>(10)</sup> Bull. 1/2-2003, point 1.1.13.

and local government in the preparation of Community decisions and in implementing the Union's policies. The Commission meanwhile, having given a commitment to initiate a systematic dialogue with regional and local government, submitted for wide public consultation a working paper defining the scope of such dialogue. On 19 December <sup>(1)</sup>, in the light of the responses to this consultation exercise, the Commission adopted a communication setting out the rules and procedures for the dialogue, which it intends to introduce from 2004 onwards.

26. *Open method of coordination.* In a resolution adopted on 5 June <sup>(2)</sup>, stressing the importance of the open method of coordination established by the Lisbon European Council <sup>(3)</sup>, the European Parliament took the view that it should be developed not only in the areas linked to the Lisbon strategy (i.e. economic and social policy and the environment), but also in the fields of youth, the media, culture and sport. Parliament also called for an interinstitutional agreement to establish the rules for selecting policies suitable for open coordination.

27. *Target-based tripartite contracts and agreements.* In the sphere of European policy for protection of the environment, three pilot projects aimed at establishing target-based tripartite contracts or agreements, launched by local authorities, with the support of regional and central authorities in the respective Member States, received backing from the Commission: one project in Birmingham (United Kingdom) to do with urban mobility, another in Pescara (Italy) relating to urban mobility and air quality, and the third one in Lille (France) focusing on the management of green urban areas. The three pilot projects are designed to test in practice and under actual conditions the new tripartite agreement instrument outlined in 2002 <sup>(4)</sup>. The results will give the Commission further food for thought on how to continue with this approach in the future, in the context of a new form of governance for Europe. The European Parliament for its part, in a resolution adopted on 4 December <sup>(5)</sup>, urged the Commission to press ahead with its pilot programme for these contracts and agreements in a number and range of cases sufficient to test in an adequately representative and rigorous way the proposed method for achieving flexibility in the instruments available for implementing legislation.

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<sup>(1)</sup> COM(2003) 811; Bull. 12-2003, point 1.3.111.

<sup>(2)</sup> Bull. 6-2003, point 1.1.4.

<sup>(3)</sup> 2000 General Report, point 1145; Bull. 3-2000, point I.18.

<sup>(4)</sup> COM(2002) 709; 2002 General Report, point 24.

<sup>(5)</sup> Bull. 12-2003, point 1.1.9.

*Section 6***Simplifying and improving the regulatory environment**

28. *General approach.* Following on from its June 2002 communication on the need for better lawmaking <sup>(1)</sup>, on 11 February the Commission proposed a strategy for ‘updating and simplifying’ <sup>(2)</sup> Community law with a view to securing a clear, understandable, up-to-date and user-friendly body of EU law for the benefit of citizens, economic operators and public administrations. With this in mind, the Commission proposed a framework for action at several levels: simplification, consolidation, codification, repeal, obsolescence, organisation and presentation of the *acquis*. The programme was divided into three phases, from February 2003 to December 2004. On 24 October the Commission adopted the first intermediate report on the progress made during the first phase (February to September) and established its work programme for Phase II (October to March 2004) <sup>(3)</sup>. The Committee of the Regions issued an opinion on these initiatives on 19 November 2003 <sup>(4)</sup>. The European Economic and Social Committee, in an own-initiative opinion adopted on 26 March <sup>(5)</sup>, called for a process of codification of the *acquis communautaire* to be initiated so as to bring about a reduction in its volume and a commensurate improvement in its clarity, coherence, accessibility and effectiveness.

29. *Simplification.* The framework for action ‘Updating and simplifying the Community *acquis*’ (→ point 28) aims to start a process of modernisation and simplification of existing legislation and policies to produce more effective or better adapted regulatory instruments. It also aims to simplify the substance of Community policies while preserving their essential elements. The Commission has therefore started to look closely at 20 strategic sectors which might benefit from simplification through proposals which could subsequently be submitted to Parliament and the Council. One-hundred-and-seventy directives and regulations have already been selected as possible or definite candidates for simplification and are currently being scrutinised.

30. *Codification and consolidation of Community legislation.* In connection with its communication of November 2001 on the codification of the *acquis communautaire* <sup>(6)</sup>, the Commission asked for the consolidation of a total of 1 118 acts and began codifying 555 acts. Moreover, the Commission’s communication of 11 February (→ point 28) integrated this programme into the wider framework of action for updating and simplifying the Community *acquis*, to provide an improved structure for the planning and implementation of the codification programme in three phases which should be completed by the end

<sup>(1)</sup> COM(2002) 275; 2002 General Report, point 25.

<sup>(2)</sup> COM(2003) 71; Bull. 1/2-2003, point 1.1.14.

<sup>(3)</sup> COM(2003) 623; Bull. 10-2003, point 1.1.10.

<sup>(4)</sup> Bull. 11-2003, point 1.1.4.

<sup>(5)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.1.10.

<sup>(6)</sup> COM(2001) 645; 2001 General Report, point 28.

of 2005. In 2003 the Commission adopted 12 autonomous codified acts replacing 64 legislative acts representing a reduction of the volume of the *Official Journal of the European Union* of 102 pages per language. It also presented 18 proposals for codified acts to replace 68 legislative acts and five recasting proposals covering 59 legislative acts.

*Section 7*

## Subsidiarity and proportionality

31. The Commission's legislative activity throughout the year continued to be guided by the principles of subsidiarity and proportionality, as laid down in Article 5 of the EC Treaty and in the Amsterdam Treaty protocol on the application of these principles. As in previous years, the Commission was ever mindful of the criteria determining the appropriateness of a Community initiative as opposed to action at national level, namely that it should be necessary and effective.

32. As is customary, the Commission presented to the December European Council its annual *Better lawmaking* report <sup>(1)</sup> on the application of these principles. Adopted on 11 December, the 11th report is divided into two parts. The first part reviews both the implementation in 2003 of the Commission's action plan 'simplifying and improving the regulatory environment' <sup>(2)</sup> and the progress made at interinstitutional level (→ points 41 and 42) and within the Member States. The second part of the report provides an assessment of how the Commission applies the principles of subsidiarity and proportionality in exercising its right of initiative, and also looks at the way in which the European Parliament and the Council take them into account when amending the Commission's proposals.

For its part, the European Parliament set out its views, in a resolution of 8 April <sup>(3)</sup>, on the *Better lawmaking* reports presented to the European Council for the years 2000 <sup>(4)</sup> and 2001 <sup>(5)</sup>. Taking the view that drafting laws more simply and clearly, in line with the principles of subsidiarity and proportionality, is a precondition for their being properly used by citizens, Parliament called on the Community institutions to commit themselves to that objective. Referring to the work of the Convention on the Future of the European Union (→ point 4 to 7), Parliament advocated a new approach to the way these principles are applied with regard to the Commission's proposals and to the implications of Parliament and Council amendments.

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<sup>(1)</sup> COM(2003) 770; Bull. 12-2003, point 1.1.8; Internet ([http://europa.eu.int/comm/governance/docs/index\\_en.htm](http://europa.eu.int/comm/governance/docs/index_en.htm)).

<sup>(2)</sup> COM(2002) 278; 2002 General Report, point 25.

<sup>(3)</sup> Bull. 4-2003, point 1.1.3.

<sup>(4)</sup> COM(2000) 772; 2000 General Report, point 1108.

<sup>(5)</sup> COM(2001) 728; 2001 General Report, point 30.

*Section 8***Co-decision <sup>(1)</sup>**

33. *General information.* As a result of the Treaty of Amsterdam, the co-decision procedure applies to most of the policy areas under the first pillar, with the emphasis on the internal market, transport, the environment, consumer protection and public health, social affairs and employment, and certain aspects of development cooperation. Accordingly, in the course of 2003, the Commission drew up 112 proposals under this procedure. The European Parliament and the Council for their part signed, or reached a consensus prior to signing, 104 dossiers, most of which were in progress before 1 January.

34. *Adoption at first reading.* Agreement on 38 proposals was reached at first reading. Although the list of cases concluded without the need for a second reading consists largely of technical matters and consolidated texts, or has to do with relations with third countries, it includes other widely known subjects such as, in the field of transport, the requirements for double-hull ships (→ point 683), the stability and safety of passenger vessels (→ point 683), and the protection of pedestrians and other vulnerable road users (→ point 322). As regards the information society, an agreement was rapidly reached concerning the European Network and Information Security Agency (→ point 390).

35. *Adoption in two readings.* Nearly half of the legislative proposals (49 dossiers) were adopted in two readings. Generally speaking, there is an increasing trend towards dossiers being finalised at an early stage — either at first or at second reading. This testifies to the political will of legislators to reach agreement on important and sensitive dossiers without going through the conciliation procedure. It is worth mentioning here the conclusion of dossiers such as the ‘energy’ package, and especially the part relating to the internal market in electricity and natural gas (→ point 641); in the securities market sector, the legislation on prospectuses (→ point 195); as regards environment policy, the greenhouse gas emissions trading scheme (→ point 591) and the monitoring of forests and environmental interactions (Forest Focus) (→ point 595); in relation to genetically modified organisms, the adoption of an important package of three regulations concerning the traceability of food and feed products (→ point 610), transboundary movements (→ point 610), and food and feed (→ points 711 et seq.).

In 17 cases, the adoption process required the intervention of the Conciliation Committee. In six of these cases, a joint text was approved by the Committee without discussion (‘A item’), particularly as a result of earlier interinstitutional negotiations in which the Commission played a mediating role as provided for in the Treaty. The main areas which required deeper discussion had to do with: animal health in terms of movement of pets (→ point 723); the internal market, with two directives on public procurement

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(1) Further information is available on the Europa server (<http://europa.eu.int/scadplus/leg/en/cig/g4000c.htm#c4>).

(→ point 232); and transport, in respect of compensation for passengers denied boarding (→ point 699), the single European sky (→ point 695) and ecopoints (→ point 677).

Nonetheless, for the second time since the Treaty of Amsterdam came into force, a co-decision dossier ended in failure. The joint text on access to the market in port services, which was hammered out in the Conciliation Committee, was not approved by the European Parliament in the final analysis (→ point 691).

36. *Interinstitutional cooperation.* Following on from the interinstitutional seminar on co-decision held on 4 and 5 November 2002 <sup>(1)</sup>, 2003 was marked by the establishment of sustained cooperation within the institutions' administrations. The institutions were particularly active in strengthening the legislative programming procedure in view of the expected end of the legislative period in the spring of 2004.

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<sup>(1)</sup> 2002 General Report, point 32.

*Section 9***Implementing powers conferred on the Commission**

37. Following the agreement reached between Parliament and the Commission in February 2000 <sup>(1)</sup> on the procedures for implementing Council Decision 1999/468/EC laying down the procedures for the exercise of implementing powers conferred on the Commission <sup>(2)</sup>, the Commission sent 2 206 documents to Parliament in 2003, 74 of them in accordance with its right of scrutiny of measures implementing instruments adopted by co-decision procedure on the basis of Article 251 of the EC Treaty.

38. In accordance with the decision and in line with its previous report for 2001 <sup>(3)</sup>, the Commission adopted a report on 8 September detailing the work of the committees in 2002 <sup>(4)</sup>.

39. To implement the provisions of Council Decision 1999/468/EC and the attached statements <sup>(5)</sup>, the legislative proposals submitted by the Commission in December 2001 to bring existing provisions into line with the decision were formally adopted by the legislative authority in 2003: provision for aligning the individual committees' operating procedures is made in Council Regulations (EC) Nos 806/2003 and 807/2003 of 14 April (Table II) and Regulation (EC) No 1105/2003 of 26 May (Table II), as well as in Regulation (EC) No 1882/2003 of the European Parliament and of the Council of 29 September (Table I).

Furthermore, the existing committees continued to amend their internal rules where necessary on the basis of the standard rules of procedure adopted by the Commission on 31 January 2001 <sup>(6)</sup>.

Lastly, the Commission has developed and introduced a register of documents transmitted to the European Parliament relating to the work of the committees as required under Article 7(5) of Council Decision 1999/468/EC. The register has been accessible to the public since 22 December via the Europa Internet server <sup>(7)</sup> and enables anyone interested to consult the various types of documents destined for the committees.

40. In its communication on the institutional architecture <sup>(8)</sup> that was submitted to the Convention on the Future of the Union in December 2002 the Commission called for clar-

<sup>(1)</sup> OJ L 256, 10.10.2000; 2000 General Report, point 1100.

<sup>(2)</sup> OJ L 184, 17.7.1999; 1999 General Report, point 981.

<sup>(3)</sup> OJ C 223 E, 19.9.2003; COM(2002) 733; 2002 General Report, point 35.

<sup>(4)</sup> OJ C 223 E, 19.9.2003; COM(2003) 530; Bull. 9-2003, point 1.1.10.

<sup>(5)</sup> OJ C 203, 17.7.1999.

<sup>(6)</sup> OJ C 38, 6.2.2001; 2001 General Report, point 36.

<sup>(7)</sup> [http://europa.eu.int/comm/secretariat\\_general/regcomito/registre.cfm?CL=en](http://europa.eu.int/comm/secretariat_general/regcomito/registre.cfm?CL=en).

<sup>(8)</sup> COM(2002) 728; 2002 General Report, point 12.

ification of the roles and responsibilities of each institution in relation to decision-making procedures <sup>(1)</sup>. As no new Treaty was adopted or entered into force, legislative work continued on the examination of the Commission's proposal of 11 December 2002 concerning the reform of the regulatory procedure for some executive measures in respect of acts adopted under the co-decision procedure, which aims to place the European Parliament and the Council on an equal footing in supervising the Commission's exercise of implementing powers (Table II).

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<sup>(1)</sup> 2002 General Report, point 37.

*Section 10***Interinstitutional cooperation**

41. *Interinstitutional agreement on 'Better lawmaking'*. The main new development in 2003 was the agreement reached in June by the European Parliament, the Council and the Commission on the principles with which each institution must comply in promoting the 'better lawmaking' objective (→ point 23). The main objectives of the agreement are to improve the quality of Community legislation and its transposition into national law. It enshrines best practices and sets out new objectives and new commitments. The main elements of the agreement are: better interinstitutional coordination and transparency, with the three institutions notifying one another of their respective annual legislative timetables with a view to reaching agreement on joint annual programming; a stable framework for 'soft law' instruments, designed to facilitate their future use, with the three institutions having agreed for the first time on a common definition of co-regulation and self-regulation; increased use of impact assessment in the Community decision-making process; a commitment to setting a binding time limit for the transposition of directives into national law: all directives must in future indicate the time limit, which will be as short as possible and, generally speaking, will not exceed two years.

42. *Other forms of cooperation*. Work also continued at an operational level in the wake of earlier innovations, such as the activities of the interinstitutional committee set up in 2002 to oversee the implementation of the rules on public access to the institutions' documents (→ point 21).

## Chapter II

# Enlargement <sup>(1)</sup>

### Section I

## Overview

43. *A decisive moment in the current enlargement of the European Union was reached on 16 April with the signing, in Athens, of the Treaty of Accession for the 10 countries which concluded accession negotiations with the EU in December 2002 (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia). The process of ratifying the Treaty began, and led to its approval in referendums held in almost all the future Member States. Accession negotiations continued with Bulgaria and Romania with a view to their joining the EU in 2007. In March, the Commission tabled a communication concerning the strengthening of the pre-accession strategy for Turkey, in which it proposed a significant increase in financial assistance for the period 2004–06 and greater cooperation in various fields. In order to avoid a situation where the enlarged EU's new external borders created fresh divisions, the Commission also proposed an ambitious new neighbourhood policy ('Wider Europe') (→ point 1012).*

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(1) Further information is available on the Europa server ([http://europa.eu.int/comm/enlargement/index\\_en.html](http://europa.eu.int/comm/enlargement/index_en.html)).

*Section 2***Treaty of Accession (1)**

44. *Approval of the principle of accession.* After accession negotiations were concluded with Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia at the Copenhagen European Council in December 2002 (2), the approval procedure was launched at the start of the year to allow the effective entry into force of the enlargement of the European Union to the 10 new members in the spring of 2004.

Within the Community institutions, in accordance with the procedure laid down in Article 49 of the Treaty on European Union, the Commission delivered a favourable opinion to the above effect on 19 February (3); after Parliament had given its assent on 9 April (4), the Council adopted a decision on 14 April (4) admitting the 10 countries to the European Union and clearing the way for the signing of the Accession Treaty. On the same day as its formal opinion (5), Parliament also adopted a broader resolution on the conclusion of the accession negotiations in which it called on the current and future Member States to actively cooperate on the formulation and implementation of a common foreign and security policy and called for further strengthening of the EU's institutional capacities and a stronger sense of solidarity in the implementation of common policies; it also stressed that enlargement offered the prospect of accession to all European countries which fulfilled the political criteria for EU membership.

In every accession country other than Cyprus, approval of the principle of accession, often combined with the Accession Treaty ratification process, was done by way of a referendum, each of which produced a positive result. This procedure took place in Malta on 8 March (6); Slovenia on 23 March (7); Hungary on 12 April (8); Lithuania on 10 and 11 May (9); Slovakia on 16 and 17 May (10); Poland on 8 June (11); the Czech Republic on 15 and 16 June (12); Estonia on 14 September (13); and Latvia on 21 September (14). The Cypriot parliament unanimously approved accession on 14 July (15).

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(1) Further information is available on the Europa server ([http://europa.eu.int/comm/enlargement/negotiations/treaty\\_of\\_accession\\_2003/index.htm](http://europa.eu.int/comm/enlargement/negotiations/treaty_of_accession_2003/index.htm)).

(2) 2002 General Report, point 704 and 706.

(3) Bull. 1/2-2003, point 1.5.2.

(4) Bull. 4-2003, point 1.5.1.

(5) Bull. 4-2003, point 1.5.4.

(6) Bull. 3-2003, point 1.5.3.

(7) Bull. 3-2003, point 1.5.4.

(8) Bull. 4-2003, point 1.5.3.

(9) Bull. 5-2003, point 1.5.3.

(10) Bull. 5-2003, point 1.5.4.

(11) Bull. 6-2003, point 1.5.4.

(12) Bull. 6-2003, point 1.5.5.

(13) Bull. 9-2003, point 1.5.4.

(14) Bull. 9-2003, point 1.5.5.

(15) Bull. 7/8-2003, point 1.5.3.

45. *Signing of the Accession Treaty.* The Treaty of Accession of the 10 new Member States of the European Union was signed on 16 April at the foot of the Acropolis in Athens <sup>(1)</sup> by the Heads of State or Government and foreign ministers of the 10 countries concerned and the current Member States. Their counterparts from the three other candidate countries (Bulgaria, Romania and Turkey) also attended.

The Heads of State or Government of the ‘Fifteen’ and the ‘Ten’ adopted a Declaration of Athens <sup>(1)</sup> at the ceremony, underlining that the Union in its new form represented a common determination to put an end to centuries of conflict and to transcend former divisions on the European continent. Considering accession a new contract between citizens and not merely a treaty between States, the signatories affirmed that the essential value of the project lay in the ability of the Union to empower both its citizens and its Member States. They also highlighted the challenges still facing the Union: the defence of fundamental human rights; fostering sustainable development, a dynamic and knowledge-based European economy and a genuine area of freedom, security and justice; working towards a more open and equitable global economy and a truly shared global information society. The signatories also emphasised their commitment to facing up to their global responsibilities, particularly through conflict prevention and helping to secure peace and global stability. The Declaration recognised the major significance of democracy as the fundamental value underpinning the Union.

At its meeting in Brussels on 20 and 21 March <sup>(2)</sup>, the European Council welcomed the considerable efforts by all involved to finalise the Treaty and Act of Accession with a view to their signing and, in Thessaloniki on 19 and 20 June <sup>(3)</sup>, declared that the results of the referendums in various acceding countries had lent additional momentum to the ratification process (→ point 46), which had to be completed in time for enlargement to take effect on 1 May 2004. The Thessaloniki European Council also sent clear signals to Bulgaria and Romania <sup>(4)</sup> and to Turkey <sup>(5)</sup> regarding their future accession, and called for continuing efforts towards the achievement of a comprehensive settlement of the Cyprus problem in line with the UN Secretary-General’s initiatives <sup>(6)</sup>.

46. *Ratification of the Treaty of Accession.* Before it can enter into force, the Treaty of Athens must be ratified by all signatories in accordance with their respective constitutional rules. The future Member States, except for Cyprus, adopted the Treaty of Athens by referendum whereas the 15 current members elected to ratify in their parliaments. The instruments of ratification were deposited on 11 June by Denmark, 27 November by Germany, 26 November by Spain, 6 August by Cyprus, 10 October by Lithuania, 29 July by Malta, 5 August by Poland, 3 November by the Czech Republic and 9 October by Slovakia.

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<sup>(1)</sup> Bull. 4-2003, point I.1.

<sup>(2)</sup> Bull. 3-2003, point I.44.

<sup>(3)</sup> Bull. 6-2003, point I.13.

<sup>(4)</sup> Bull. 6-2003, point I.14.

<sup>(5)</sup> Bull. 6-2003, point I.15.

<sup>(6)</sup> Bull. 6-2003, point I.16.

47. *Adaptation of the Act of Accession to the reform of the common agricultural policy.*  
On 27 October, the Commission proposed a decision whereby this reform would be applied to the enlarged Community (→ point 437).

### Section 3

## Regular reports

48. On 5 November, the Commission adopted a comprehensive monitoring report <sup>(1)</sup> on the state of preparedness of the 10 acceding countries and a strategy paper on the progress towards accession of each of the candidate countries <sup>(2)</sup>, together with the reports on each country. All of the documents were welcomed and approved by the Council on 17 November <sup>(3)</sup>, and by the Brussels European Council on 12 December <sup>(4)</sup>.

The Commission states with regard to administrative and judicial capacity that sufficient conditions are in place to implement existing Community rules (the *acquis*) in all of the acceding countries, but that there is also room for improvement in all of them. With regard to the specific undertakings given by the acceding countries during the negotiations, the Commission reports state that they have reached a high level of alignment with the *acquis*.

The Commission confirms that Romania and Bulgaria continue to fulfil the political criteria for accession and have undertaken major reforms in certain areas. It concludes that Bulgaria has a functioning market economy which should be able to cope within the EU in the near term provided that it continues to implement its reform programme to remove remaining difficulties. Romania can be considered a functioning market economy once its current progress has advanced significantly. The Commission recognises that Turkey has shown great determination in accelerating the pace of legislative reforms and that many priorities with regard to the political criteria have been addressed. However, some important issues are outstanding, such as strengthening the independence of the judiciary, providing a framework for the exercise of freedom of expression and of association, guaranteeing cultural rights and tackling problems with regard to freedom of religion. It also stresses Turkey's important role in solving the Cyprus problem on the basis of the UN plan. In its strategy paper, the Commission states that it will continue negotiations with Bulgaria and Romania according to the same principles as before, in particular, the 'own merits' principle, which means that each negotiating country is assessed according to the progress made in adopting, implementing and applying the *acquis*. There will be a three-year financial framework for Romania and Bulgaria based on the principles and methodology developed for the negotiations with the 10 acceding countries.

49. In an opinion of 13 February on progress towards accession by each of the candidate countries <sup>(5)</sup>, based on the reports published in 2002 <sup>(6)</sup>, the Committee of the Regions proposed that the candidate countries set up a formal procedure for involving regional and local authorities in preparing for the implementation of existing Community rules.

<sup>(1)</sup> COM(2003) 675; Bull. 11-2003, point 1.5.3.

<sup>(2)</sup> COM(2003) 676; Bull. 11-2003, point 1.5.4.

<sup>(3)</sup> Bull. 11-2003, point 1.5.5.

<sup>(4)</sup> Bull. 12-2003, point 1.12.

<sup>(5)</sup> OJ C 128, 29.5.2003; Bull. 1/2-2003, point 1.5.1.

<sup>(6)</sup> 2002 General Report, point 705.

*Section 4***Accession negotiations <sup>(1)</sup>**

50. *General approach.* As negotiations with the 10 countries which signed the Athens Treaty (→ point 44 to 46) had been concluded at the end of 2002, the process focused in 2003 on the two countries (Bulgaria and Romania) which had already begun negotiations and whose accession to the EU was to be decided later.

Emphasising that Bulgaria and Romania were part of the same inclusive and irreversible enlargement process as that which had led to the Treaty of Athens, the Thessaloniki European Council of 19 and 20 June confirmed that the objective was to welcome the two countries as new Member States in 2007 and, to that end, to conclude negotiations in 2004 according to the same basis and the same principles that applied to the 10 acceding States, with each candidate judged on its own merits <sup>(2)</sup>. The European Council also declared its support for Turkey's efforts to fulfil the Copenhagen political criteria with a view to opening accession negotiations <sup>(3)</sup>.

51. *Ministerial meetings.* Ministerial meetings were held in Luxembourg on 16 June with Bulgaria <sup>(4)</sup> and on 17 June with Romania <sup>(5)</sup>. They led to the provisional closure of several chapters and the continuation of negotiations on others. For Bulgaria, the meeting confirmed the provisional closure of the transport chapter, together with those on competition and agriculture. For Romania, the meeting confirmed the provisional closure of the chapters on the free movement of goods and capital, taxation, and culture and audiovisual policy. At the ministerial meeting of 9 December the chapters on financial control, transport and free movement of persons were added to that list.

Table 1 summarises the state of the negotiations at the end of the year for the two candidate countries.

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<sup>(1)</sup> Further information is available on Europa (<http://europa.eu.int/comm/enlargement/negotiations/index.htm>).

<sup>(2)</sup> Bull. 6-2003, point I.14.

<sup>(3)</sup> Bull. 6-2003, point I.15.

<sup>(4)</sup> Bull. 6-2003, point 1.5.3.

<sup>(5)</sup> Bull. 6-2003, point 1.5.6.

**Table 1****State of the accession negotiations (December 2003)**

Chapter	Country	
	Bulgaria	Romania
1. Free movement of goods	x	x
2. Free movement of persons	x	x
3. Free movement of services	x	o
4. Free movement of capital	x	x
5. Company law	x	x
6. Competition	o	o
7. Agriculture	o	o
8. Fisheries	x	x
9. Transport	x	x
10. Taxation	x	x
11. Economic and monetary union	x	x
12. Statistics	x	x
13. Social policy	x	x
14. Energy	x	o
15. Industrial policy	x	x
16. Small and medium-sized enterprises	x	x
17. Science and research	x	x
18. Education and training	x	x
19. Telecommunications and information technology	x	x
20. Culture and audiovisual policy	x	x
21. Regional policy	o	o
22. Environment	x	o
23. Consumers and health protection	x	x
24. Justice and home affairs	x	o
25. Customs union	x	x
26. External relations	x	x
27. Common foreign and security policy	x	x
28. Financial control	x	x
29. Budget	o	o
30. Institutions	x	x
31. Other	—	—
Chapters opened	30	30
Chapters closed at 31 December 2003	26	22

NB: o = Chapter opened, under negotiation

x = Chapter provisionally closed

— = Chapter not yet open

## Section 5

**Pre-accession strategy <sup>(1)</sup>****Accession partnerships and general matters**

52. *Updating the accession partnerships.* On 19 May, the Council adopted three decisions updating the principles, priorities, intermediate objectives and conditions contained in the accession partnerships with Bulgaria, Romania and Turkey <sup>(2)</sup>. This updating is based on information drawn from the 2002 ‘Regular reports’ drawn up by the Commission for each of the countries concerned <sup>(3)</sup>, as well as from the detailed roadmaps for Bulgaria and Romania <sup>(4)</sup> and, for Turkey, the conclusions of the Copenhagen European Council <sup>(5)</sup>. The decisions adopted concern measures to be taken by each of the three countries to comply with the political and economic criteria for membership of the European Union, and to take on the obligations arising from accession to the Community *acquis*; they also relate to pre-accession financing.

In a resolution of 5 June <sup>(6)</sup>, noting that the short and medium-term priorities agreed within the partnership for Turkey’s accession had only been partially implemented in practice, the European Parliament called on the Turkish government to submit, as soon as possible, a clear roadmap and timetable for the implementation of the political criteria. It also made recommendations concerning human rights and democratisation in Turkey and the country’s relations with its neighbours.

53. *Trade policy.* On 9 and 10 May a ministerial meeting was held in Bucharest <sup>(7)</sup> between the EU and the trade ministers of the 10 future Member States and the three candidate countries. Mr Lamy represented the EU. The purpose of the meeting was to coordinate the participants’ positions at the current WTO negotiations under the Doha Development Agenda, with particular reference to the fifth ministerial conference at Cancún, Mexico, in September (→ point 781).

54. *Community administration.* At a meeting in Brussels on 26 May <sup>(8)</sup> between the European Union, represented by Mr Kinnock, and the ministers responsible for public administration in the 10 future Member States, the participants discussed the procedure for

<sup>(1)</sup> Further information is available on the Europa website (<http://europa.eu.int/comm/enlargement/pas/index.htm>).

<sup>(2)</sup> Decisions 2003/396/EC (Bulgaria), 2003/397/EC (Romania) and 2003/398/EC (Turkey) (OJ L 145, 12.6.2003; Bull. 5-2003, points 1.5.5 to 1.5.7). Previous revision for Bulgaria and Romania: 2002 General Report, point 712; initial act for Turkey: Council Decision 2001/235/EC (OJ L 85, 24.3.2001; 2001 General Report, point 773).

<sup>(3)</sup> 2002 General Report, point 705.

<sup>(4)</sup> COM(2002) 624; 2002 General Report, point 705.

<sup>(5)</sup> Bull. 12-2002, point I.6.

<sup>(6)</sup> Bull. 6-2003, point 1.5.8.

<sup>(7)</sup> Bull. 5-2003, point 1.5.1.

<sup>(8)</sup> Bull. 5-2003, point 1.5.2.

recruiting new EU officials from the acceding countries, and administrative reform. On 13 June, the Commission adopted a proposal for a regulation to introduce specific recruitment measures as soon as possible after the actual date of accession to the EU (Table II).

## European association agreements and other agreements

55. *Customs cooperation.* An additional protocol to the agreement establishing an association between the European Economic Community and Malta was signed on 5 March providing for mutual administrative assistance in customs matters between the two parties (Table III). It entered into force on 1 May.

56. *Technical regulations.* Bilateral agreements were concluded with the future Member States laying down a simplified procedure for the provision of information in the field of technical regulations and of rules on information society services (→ points 293 to 295).

57. *European Economic Area.* Agreements were concluded with the future Member States providing for their participation in the European Economic Area (→ point 857).

58. *Industrial products.* Additional protocols to the Europe (association) agreements on conformity assessment and acceptance of industrial products (PECA) were concluded on 27 January with Slovenia (Table III) and on 14 April with Estonia (Table III) and Slovakia (Table III). On 22 September the Council concluded agreements amending the PECAs already in force with Hungary (Table III) and the Czech Republic (Table III) so that the protocols apply to industrial products irrespective of their origin. On 15 July, the Council decided to sign an autonomous agreement with Malta covering the pre-accession period only, on conformity assessment and acceptance of industrial products (Table III). On 21 July <sup>(1)</sup>, the Council approved the restructuring programme and business plans submitted to the Commission by Poland for products of the coal and steel industries, in accordance with the Association Council decision extending the period provided for in this respect in the Europe agreement between the European Community and Poland <sup>(2)</sup>.

59. *Agricultural products.* To consolidate all the existing concessions and take account of the results of negotiations on new concessions, the Council adopted a series of decisions on the addition of protocols adjusting the trade aspects of the Europe agreements with Estonia, on 18 March (Table III), with Hungary on 18 March (Table III), with Poland on 27 March (Table III), with Bulgaria on 8 April (Table III), with the Czech Republic on 14 April (Table III), with Slovakia on 14 April (Table III), with Slovenia on 26 May (Table III), and with Latvia on 22 September (Table III). All the decisions also repealed the respective regulations providing for or implementing adjustments, as autonomous and transitional measures, of agricultural concessions.

<sup>(1)</sup> Council Decision 2003/588/EC (OJ L 199, 7.8.2003; Bull. 7/8-2003, point 1.5.10).

<sup>(2)</sup> EU–Poland Association Council Decision No 3/2002 (OJ L 186, 25.7.2003).

60. *Processed agricultural products.* On 6 February, the Council adopted a regulation <sup>(1)</sup> introducing the necessary transitional measures to allow trade concessions to be applied on an autonomous basis for certain processed agricultural products from Poland pending the entry into force of the protocol adjusting the Europe agreement between the European Community and Poland. On 2 June, analogous arrangements were adopted for Hungary <sup>(2)</sup>. The Council adopted similar measures pending the entry into force of the trade agreements amending the adjustment protocols of the same type for Estonia on 2 June <sup>(3)</sup> and for Latvia, Lithuania, the Czech Republic, Slovakia, Slovenia <sup>(4)</sup> and Malta <sup>(5)</sup> on 18 June. Negotiations were launched with Bulgaria and Romania, and the negotiations with Poland were concluded in November with a view to the entry into force of the new arrangements at the beginning of 2004.

61. *Fisheries products.* On 27 March, the Commission proposed concluding an additional protocol to the Europe agreement with Romania providing for progressive liberalisation of trade in fish and fisheries products between the EC and Romania (Table III).

62. *Candidate countries' participation in Community programmes.* In line with the frameworks set up in 2002 <sup>(6)</sup>, protocols were concluded with all the acceding and candidate countries concerning their participation in a wide range of Community programmes.

63. *Joint bodies.* Meetings of the association councils, association committees and parliamentary committees also created by the Europe agreements are described in the subsection 'Bilateral issues' (→ points 72 to 84).

## Financial and technical assistance

64. *General approach.* On 9 January <sup>(7)</sup>, the Commission adopted its first General Report on pre-accession aid (Phare — ISPA — Sapard), which gives an account of all the aid by country and coordination between the instruments concerned <sup>(8)</sup> for 2000, the first year of operation of Sapard and ISPA. As well as providing a statistical analysis, the report welcomes the progress made in setting up those two instruments and with the associated adjustment of the Phare programme and the improved consideration given to economic and social cohesion. It stresses that the establishment of the structures for the pre-accession instruments in the candidate countries also provided an important exercise in institution building and preparation for managing the Structural Funds in those countries. On

<sup>(1)</sup> Regulation (EC) No 278/2003 (OJ L 42, 15.2.2003); Bull. 1/2-2003, point 1.5.7.

<sup>(2)</sup> Regulation (EC) No 999/2003 (OJ L 146, 13.6.2003); Bull. 6-2003, point 1.5.11.

<sup>(3)</sup> Regulation (EC) No 1039/2003 (OJ L 151, 19.6.2003); Bull. 6-2003, point 1.5.10.

<sup>(4)</sup> Regulations (EC) Nos 1087/2003 (Latvia), 1088/2003 (Lithuania), 1090/2003 (Czech Republic), 1089/2003 (Slovakia) and 1086/2003 (Slovenia) (OJ L 163, 1.7.2003; Bull. 6-2003, point 1.5.9).

<sup>(5)</sup> Regulation (EC) No 1890/2003 (OJ L 278, 29.10.2003; Bull. 10-2003, point 1.5.7).

<sup>(6)</sup> 2002 General Report, point 724.

<sup>(7)</sup> COM(2002) 781; Bull. 1/2-2003, point 1.5.11.

<sup>(8)</sup> Regulation (EC) No 1266/1999 (OJ L 161, 26.6.1999; 1999 General Report, point 605).

4 June <sup>(1)</sup>, the Commission adopted its second General Report on pre-accession aid, covering 2001. In a communication of 16 July <sup>(2)</sup>, it assesses how the future Member States are meeting their commitments with a view to establishing administrative structures and monitoring, control and management procedures, which are essential to the implementation of the Structural Funds and Cohesion Fund.

On 12 March <sup>(3)</sup>, the Commission supplemented its communication of 1999 giving indicative guidelines for the national and regional authorities responsible for preparing programming of the Structural Funds for the period 2000–06 <sup>(4)</sup> by proposing additional specific guidelines taking account of the specific context of each of the 10 acceding countries and of the institutional framework of this new enlargement of the EU.

65. *Decentralisation of aid implementation.* The acceding and candidate countries continued to prepare for extended decentralisation, which will allow them to implement pre-accession aid without involving the Commission. Several acceding countries submitted requests for accreditation for extended decentralisation.

66. The adjustment of the financial perspectives in line with enlargement is covered in Section 2 ('Financial perspectives') of Chapter VII (→ points 1017 to 1019).

67. *Phare programme* <sup>(5)</sup>. The programme's budget was EUR 1.698 billion in 2003. The operations financed were:

- national programmes: EUR 1.223 billion, of which EUR 99 million for Bulgaria, EUR 39.5 million for Estonia, EUR 107 million for Hungary, EUR 45.6 million for Latvia, EUR 67 million for Lithuania, EUR 402.8 million for Poland, EUR 95.2 million for the Czech Republic, EUR 272.1 million for Romania, EUR 57.1 million for Slovakia and EUR 37.9 million for Slovenia;
- cross-border cooperation: EUR 161 million;
- phasing-out of nuclear plants: EUR 116.9 million (EUR 61.9 million for Bulgaria, EUR 30 million for Lithuania and EUR 25 million for Slovakia);
- regional and horizontal programmes: EUR 197.4 million.

On 3 March, the Commission adopted the 2001 annual report on the Phare programme <sup>(6)</sup>. The report presents statistical information and gives an account of the programming and implementation of the instrument for each of the beneficiary countries; it stresses that in

<sup>(1)</sup> COM(2003) 329; Bull. 6-2003, point 1.5.14.

<sup>(2)</sup> COM(2003) 433; Bull. 7/8-2003, point 1.5.13.

<sup>(3)</sup> COM(2003) 110; Bull. 3-2003, point 1.5.12.

<sup>(4)</sup> O J C 267, 22.9.1999; COM(1999) 344; 1999 General Report, point 323.

<sup>(5)</sup> <http://europa.eu.int/comm/enlargement/pas/phare/index.htm>.

<sup>(6)</sup> COM(2003) 97; Bull. 3-2003, point 1.5.13.

2001 measures were taken to help the countries to prepare for use of the Structural Funds after accession and that the Commission delegated more responsibility for managing the programme to the national authorities. On 11 August, the 2002 report on the Phare programme <sup>(1)</sup> also covered for the first time the pre-accession instruments for Cyprus, Malta and Turkey.

68. *Special accession programme for agriculture and rural development (Sapard)* <sup>(2)</sup>. On 7 October, the Commission adopted the annual report on Sapard implementation in 2002 <sup>(3)</sup>. Council Regulation (EC) No 696/2003 of 14 April (Table II) increased the rate of the Community contribution to agriculture and rural development in the candidate countries of central and eastern Europe set in Regulation (EC) No 1268/1999 to cover the rehabilitation of rural areas affected by exceptional natural disasters. In 2003, a budget of EUR 559.5 million was allocated to this instrument.

69. *Instrument for structural policies for pre-accession (ISPA)* <sup>(4)</sup>. On 4 November, the Commission adopted the annual report on ISPA implementation in 2002 <sup>(5)</sup>. In a resolution of 19 June <sup>(6)</sup>, the European Parliament gave a favourable response to the Commission's annual report on the management of ISPA in 2001 <sup>(7)</sup> and called for the establishment of a financial and legal monitoring system to guarantee information on projects, sectors and beneficiary countries.

A breakdown by candidate country of commitments made in 2003 under the ISPA programme is given in Table 2.

**Table 2**

<b>Commitments in 2003 — ISPA</b>		<i>(million EUR)</i>
<b>Candidate country</b>	<b>ISPA</b>	
Czech Republic	74.9	
Estonia	30.7	
Latvia	50.3	
Lithuania	55.8	
Hungary	94.5	
Poland	371.0	
Slovenia	16.3	
Slovakia	49.0	
Bulgaria	104.6	
Romania	250.5	
<b>Total</b>	<b>1 097.6</b>	

<sup>(1)</sup> COM(2003) 497; Bull. 7/8-2003, point 1.5.14.

<sup>(2)</sup> <http://europa.eu.int/comm/enlargement/pas/sapard.htm>.

<sup>(3)</sup> COM(2003) 582; Bull. 10-2003, point 1.5.8.

<sup>(4)</sup> <http://europa.eu.int/comm/enlargement/pas/ispa.htm>.

<sup>(5)</sup> COM(2003) 655; Bull. 11-2003, point 1.5.9.

<sup>(6)</sup> Bull. 6-2003, point 1.5.15.

<sup>(7)</sup> COM(2002) 596; 2002 General Report, point 729.

70. *Interventions of the European Investment Bank (EIB)*. In 2003, the EIB granted loans to the candidate countries amounting to EUR 4.6 billion.

71. *Macrofinancial assistance*. Information on this form of aid to certain candidate countries can be found in Section 1 ('Economic and monetary policy') of Chapter IV (→ points 120 to 122).

## Bilateral issues

72. *Bulgaria*. Mr Prodi met Mr Georgi Parvanov, the President, on 8 May, and Mr Simeon Saxe-Cobourg-Gotha, the Prime Minister, on 27 November. On 9 and 10 July, Mr Verheugen went to Sofia and Varna. He met Mr Parvanov and Mr Saxe-Cobourg-Gotha and other senior members of the government. The Association Council and the Association Committee with Bulgaria met on 8 and 9 December and on 16 July, respectively, in Brussels. The Joint Parliamentary Committee met on 22 and 23 April in Brussels.

73. *Estonia*. On 21 and 22 May, Estonia's Prime Minister, Mr Juhan Parts, visited Brussels, where he met Mr Verheugen and Mr Prodi. On 1 and 2 September, Mr Verheugen visited Estonia, where he met Mr Arnold Rüütel, President of the Republic, Mr Parts, Ms Kristiina Ojuland, the Foreign Minister, Mr Meelis Atonen, the Minister for Economics and Communication, and Mr Tiit Tammsaar, the Minister for Agriculture. On 6 and 7 October, Mr Kinnock visited Estonia and met Mr Parts. On 24 November, Ms Wallström went to Estonia and met Mr Villu Reiljan, the Environment Minister. The EU–Estonia Joint Parliamentary Committee met on 22 and 23 May in Tallinn and on 9 and 10 December in Brussels. The Joint Consultative Committee between Estonia and the European Economic and Social Committee met in Narva on 21 and 22 May and in Brussels on 6 November. The EU–Estonia Association Committee met in Tallinn on 16 June.

74. *Hungary*. On 3 and 4 April <sup>(1)</sup>, Mr Fischler visited Budapest, where he was received by Mr Peter Medgyessy, Hungary's Prime Minister, and Mr Imre Nemeth, the Minister for Agriculture. When Mr Verheugen went there on 22 July <sup>(2)</sup>, he met Mr László Kovacs, Hungary's Foreign Minister. On 26 September <sup>(3)</sup>, Mr Lamy also visited Budapest where he was received by the Prime Minister and Mr Istvan Csillag, the Economy Minister.

75. *Latvia*. On 6 February <sup>(4)</sup>, Ms Dagnija Stake, Latvian Social Affairs Minister, visited Brussels and signed with Ms Diamantopoulou a joint assessment paper setting out strategic employment priorities for Latvia. Mr Kinnock visited Riga on 28 October and met the President Ms Vaira Vike-Freiberga and the Prime Minister Mr Einars Repse.

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<sup>(1)</sup> Bull. 4-2003, point 1.5.21.

<sup>(2)</sup> Bull. 7/8-2003, point 1.5.15.

<sup>(3)</sup> Bull. 9-2003, point 1.5.12.

<sup>(4)</sup> Bull. 1/2-2003, point 1.5.14.

76. *Lithuania.* On 19 March, Mr Prodi met Lithuania's President Mr Rolandas Paksas in Brussels. On 25 April <sup>(1)</sup>, Mr Verheugen went to Lithuania, where, among others, he met Mr Paksas and Mr Algirdas Brazauskas, the Prime Minister. Ms De Palacio, Mr Kinnock and Mr Vitorino went to Lithuania on 5 September, 18 and 19 September, and 26 September respectively. Mr Verheugen met President Paksas on 6 November. The EU–Lithuania Joint Parliamentary Committee met in Vilnius on 14 and 15 April and in Brussels on 10 and 11 November. The Association Committee met in Vilnius on 13 June. The Joint Consultative Committee between Lithuania and the European Economic and Social Committee met in Kaunas on 6 May and in Brussels on 6 November.

77. *Poland.* On 19 May, Mr Prodi visited Warsaw and Siedlce. He met the Polish President of the Republic, Mr Aleksander Kwañieswski, and the Prime Minister, Mr Leszek Miller. He also met Mr Miller in Brussels on 6 October. Mr Verheugen visited Poland on 22 and 23 April and on 26 and 27 May <sup>(2)</sup>, meeting Mr Kwañieswski, Mr Miller and Ms Danuta Hübner, the Minister for European Affairs. Other Members of the Commission also visited Poland: Mr Liikanen on 31 March; Mr Byrne on 16 and 17 July; Ms Wallström on 6 October; Mr Patten on 8 and 9 October; Mr Barnier on 6 November; and Mr Solbes Mira on 20 and 21 November. The EU–Poland Joint Parliamentary Committee met in Warsaw on 28 and 29 April, and in Brussels on 24 and 25 November. The Association Committee met in Warsaw on 19 September. The Joint Consultative Committee between Poland and the European Economic and Social Committee met in Katowice on 29 April and in Brussels on 5 and 6 November.

78. *Czech Republic.* On 25 September <sup>(3)</sup>, Mr Lamy was received in Prague by Mr Vladimír Špidla, Prime Minister, Mr Cyril Svoboda, Foreign Minister, and Mr Milan Urban, Minister for Trade and Industry.

79. *Romania.* On 3 April and 16 September, Mr Adrian Nastase, the Prime Minister, met Mr Prodi in Brussels. Mr Lamy visited Bucharest on 9 and 10 May, and met President Ion Iliescu and Mr Nastase. Ms Diamantopoulou and Ms Schreyer visited Bucharest on 12 and 13 June and on 12 and 13 October respectively. The Association Council and the Association Committee with Romania met on 19 May in Brussels <sup>(4)</sup> and on 21 November in Bucharest. The Joint Parliamentary Committee met on 10 and 11 June in Brussels and on 27 and 28 November in Bucharest. On 20 and 21 February <sup>(5)</sup>, Mr Verheugen visited Bucharest where he met Mr Iliescu, Mr Nastase, Mr Mircea Geoana, the Foreign Minister, and Ms Hildegard Puwak, the European Integration Minister.

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<sup>(1)</sup> Bull. 4-2003, point 1.5.22.

<sup>(2)</sup> Bull. 5-2003, point 1.5.18.

<sup>(3)</sup> Bull. 9-2003, point 1.5.12.

<sup>(4)</sup> Bull. 5-2003, point 1.5.15.

<sup>(5)</sup> Bull. 1/2-2003, point 1.5.15.

80. *Slovakia*. During a visit on 5 and 6 May <sup>(1)</sup>, Mr Verheugen was received by the President, Mr Rudolf Schuster, the Prime Minister, Mr Mikulas Dzurinda, and the Foreign Minister, Mr Eduard Kukan. Accompanied by the deputy Prime Minister, Mr Pal Csaky, he also met local representatives and gave a speech at the Agricultural University.

81. *Slovenia*. The Association Committee met on 3 July in Ljubljana. On 6 and 7 March, Mr Prodi and Mr Verheugen went to Slovenia where they met Dr Drnovsek, the President of the Republic, Mr Rop, the Prime Minister, Mr Potocnik, the Minister for European Affairs, and Mr Rupel, the Minister for Foreign Affairs. On 23 May <sup>(2)</sup>, Mr Fischler also went to Slovenia where he was received by Mr Rop, and the Minister for Agriculture, Mr But. On 9 September, Mrs Reding also visited Slovenia and had talks with Mr Rop and Mr Rupel, and with Mr Gaber and Ms Rihter, the Ministers for Education and Culture. On 14 November, Mr Solbes Mira was received by Mr Mramor, the Finance Minister. On 2 December, Mr Prodi was received by Mr Rop.

82. *Cyprus*. On 19 May <sup>(3)</sup>, Mr Georgios Iacovou, Cypriot Foreign Minister, visited Brussels, where he met Mr Verheugen. On 3 June <sup>(4)</sup>, further to the Copenhagen European Council decisions of December 2002 <sup>(5)</sup>, confirmed by the Brussels European Council on 20 and 21 March <sup>(6)</sup>, the Commission, wishing to address a strong political message to the Turkish Cypriot community, presented a communication on ways of promoting economic development in the northern part of Cyprus and bringing it closer to the Union. Mr Verheugen also visited Cyprus from 16 to 18 June and met President Papadopoulos and Mr Iacovou, as well as the leader of the Turkish Cypriot community, Mr Denktash. Mr Barnier also visited Cyprus from 22 to 24 October. President Papadopoulos met Mr Prodi and Mr Verheugen during a visit to Brussels on 16 and 17 October.

83. *Malta*. On 23 and 24 January, Mr Verheugen visited Malta, where he met the Maltese authorities and discussed the outcome of the accession negotiations. On 3 October, Mr Fischler also visited Malta and met Mr Guido de Marco, the President, Mr Adami, the Prime Minister, and Mr Pullicino, the Minister for Rural Affairs and the Environment.

84. *Turkey*. The Association Council with Turkey met on 15 April in Luxembourg <sup>(7)</sup>. The Joint Parliamentary Committee met on 16 and 17 June in Istanbul. During a visit to Ankara on 31 January and 1 February <sup>(8)</sup>, Mr Verheugen held bilateral talks with the new Turkish authorities put in place by the elections of 3 November 2002, including Mr Abdullah Gül, Prime Minister, Mr Yasar Yakis, Foreign Minister, the AKP's leader, Mr Tayyip

<sup>(1)</sup> Bull. 5-2003, point 1.5.19.

<sup>(2)</sup> Bull. 5-2003, point 1.5.20.

<sup>(3)</sup> Bull. 5-2003, point 1.5.17.

<sup>(4)</sup> COM(2003) 325; Bull. 6-2003, point 1.5.16.

<sup>(5)</sup> Bull. 12-2002, point 1.4.

<sup>(6)</sup> Bull. 3-2003, point 1.48.

<sup>(7)</sup> Bull. 4-2003, point 1.5.23.

<sup>(8)</sup> Bull. 1/2-2003, point 1.5.16.

Erdogan, and key parliamentary leaders. On 6 February <sup>(1)</sup>, Mr Patten also went to Ankara in the context of international efforts to deal with the Iraq crisis. The Turkish Prime Minister visited Brussels on 17 February <sup>(2)</sup> and met Mr Javier Solana, High Representative for the CFSP. On 24 and 25 April <sup>(3)</sup>, Ms Schreyer was received in Ankara, where she discussed the possibility of gradually increasing pre-accession funding for Turkey in line with progress with its accession partnership (→ point 52).

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<sup>(1)</sup> Bull. 1/2-2003, point 1.5.17.

<sup>(2)</sup> Bull. 1/2-2003, point 1.5.18.

<sup>(3)</sup> Bull. 4-2003, point 1.5.24.

## Chapter III

# Human rights and fundamental freedoms

## Section I

### Actions within the European Union

85. *Fundamental rights.* On 15 January <sup>(1)</sup> and 4 September <sup>(2)</sup> the European Parliament adopted two resolutions on fundamental rights in the European Union in 2001 and 2002, in which it evaluated the Member States' record in terms of respect for the values proclaimed in the six chapters of the Charter of Fundamental Rights <sup>(3)</sup>. In the communication of 15 October on 'Article 7 of the Treaty on European Union' <sup>(4)</sup> the Commission stressed the need for a proactive policy to safeguard the values shared by the Member States and examined the material and formal conditions for implementing Article 7 in the event of a serious and persistent breach or the clear risk of such breaches of the common values.

86. *Trafficking in human beings* <sup>(5)</sup>. On 8 May <sup>(6)</sup> the Council called on the Member States to apply the framework decision of 2002 on action to combat trafficking in human beings <sup>(7)</sup> and to ratify the relevant international instruments. The European Parliament passed a resolution on 3 July <sup>(8)</sup> calling for a European strategy on trafficking in children and child soldiers.

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<sup>(1)</sup> Bull. 1/2-2003, point 1.2.2.

<sup>(2)</sup> Bull. 9-2003, point 1.2.2.

<sup>(3)</sup> OJ C 364, 18.12.2000; 2000 General Report, point 15 et seq.; Internet ([http://europa.eu.int/comm/justice\\_home/unit/charte/index\\_en.html](http://europa.eu.int/comm/justice_home/unit/charte/index_en.html)).

<sup>(4)</sup> COM(2003) 606; Bull. 10-2003, point 1.1.2.

<sup>(5)</sup> [http://europa.eu.int/comm/justice\\_home/project/stop\\_prov\\_en.htm](http://europa.eu.int/comm/justice_home/project/stop_prov_en.htm).

<sup>(6)</sup> OJ C 137, 12.6.2003; Bull. 5-2003, point 1.2.2.

<sup>(7)</sup> Framework Decision 2002/629/JHA (OJ L 203, 1.8.2002; 2002 General Report, point 489).

<sup>(8)</sup> Bull. 7/8-2003, point 1.2.1.

87. *Daphne programme* <sup>(1)</sup>. On the basis of the experience gained with implementation of the Daphne programme 2000–03 <sup>(2)</sup>, which was due to expire on 31 December, the Commission proposed the establishment of the second phase of the programme aimed at preventing all forms of violence against children, young people and women for the period 2004–08 (Table I). The programme will continue to pursue the objectives of the first phase by promoting transnational initiatives, such as the establishment of multidisciplinary networks, by raising awareness among target groups, and by carrying out complementary activities such as commissioning research or gathering data.

88. *Racism and xenophobia*. The activities of the European Monitoring Centre on Racism and Xenophobia are discussed in Section 3 ('Employment and social policy') of Chapter IV (→ point 714).

89. *Sakharov Prize*. On 23 October the European Parliament awarded the Sakharov Prize for 2003 to the Secretary-General of the United Nations (UN), Mr Kofi Annan, and all the staff at the United Nations, in memory of Mr Viella de Mello and the many other United Nations officials who lost their lives while working for peace in the world. The prize will be presented in January 2004.

90. *European Group on Ethics in Science and New Technologies (EGE)* <sup>(3)</sup>. On 4 February, at the Commission's request, the EGE published its opinion No 17 on 'Ethical aspects of clinical research in developing countries'. The EGE also continued its work on the ethical aspects of genetic testing. On 28 July, in its opinion No 18 on the same subject, the EGE focused particularly on questions relating to authorisation and consent. To help national ethics committees to pool experience and exchange information, the EGE has started publishing details of activities undertaken by national ethics bodies in the Member States and other countries.

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<sup>(1)</sup> [http://europa.eu.int/comm/justice\\_home/funding/daphne/funding\\_daphne\\_en.htm](http://europa.eu.int/comm/justice_home/funding/daphne/funding_daphne_en.htm).

<sup>(2)</sup> Decision No 293/2000/EC (OJ L 34, 9.2.2000 and 2000 General Report, point 22).

<sup>(3)</sup> [http://europa.eu.int/comm/european\\_group\\_ethics/index\\_en.htm](http://europa.eu.int/comm/european_group_ethics/index_en.htm).

*Section 2*

## Actions outside the European Union

91. *Overall approach.* In a resolution of 4 September on human rights in the world in 2002 and the Union's policy on human rights <sup>(1)</sup>, the European Parliament called for synergy between Community action and the CFSP, envisaged means for strengthening the effectiveness of its policy and also identified potential thematic areas for priority action.

92. *Respect for human rights and promotion of democratisation in third countries.* On 18 March <sup>(2)</sup>, the Council expressed concern at the frequent use of the death penalty and the repression of freedom of expression and religious and cultural rights in China. The same day <sup>(3)</sup>, it stressed that the development of the EU's relations with Iran depended on respect for human rights by that country. While welcoming the third round of dialogue between the EU and Iran, on 13 October <sup>(4)</sup> it again raised the issue of respect for human rights. On 21 May <sup>(5)</sup>, the Commission formulated 10 practical recommendations to give fresh impetus to EU action to promote and defend universal human rights in conjunction with its Mediterranean partners. On 25 November <sup>(6)</sup>, the Council issued a statement on this communication. The Commission also proposed, on 28 October, extending up to 31 December 2006 the application of the requirements for implementing development cooperation measures contributing to the general objective of development and the consolidation of democracy and the rule of law (Table I). The European Parliament adopted on 19 November <sup>(7)</sup> a resolution in which it recommended incorporating the fight against infringements of women's rights into the EU's external policies. On 8 December <sup>(8)</sup>, the Council adopted guidelines on children and armed conflict to encourage third countries and non-governmental actors to apply humanitarian law measures and standards and take effective steps to protect children in such conflicts. Parliament stated its view on human rights and respect for democratic principles in various countries, as set out in Table 3.

Many of the EU's common strategies, common positions and joint actions specifically concern human rights and democratisation or contain substantial elements relating to human rights (→ points 756 to 758). The Union continued to take action against those countries committing serious and persistent violations of democratic principles and human rights, either through private censure (→ point 760) or public condemnation (→ point 764).

<sup>(1)</sup> Bull. 9-2003, point 1.2.4.

<sup>(2)</sup> Bull. 3-2003, point 1.2.3.

<sup>(3)</sup> Bull. 3-2003, point 1.2.4.

<sup>(4)</sup> Bull. 10-2003, point 1.2.11.

<sup>(5)</sup> COM(2003) 294; Bull. 5-2003, point 1.2.3.

<sup>(6)</sup> Bull. 11-2003, point 1.2.5.

<sup>(7)</sup> Bull. 11-2003, point 1.2.3.

<sup>(8)</sup> Bull. 12-2003, point 1.2.4.

**Table 3**

<b>Parliament resolutions on human rights</b>		
<b>Country</b>	<b>Subject</b>	<b>References</b>
Burundi	Violations of human rights	Bull. 10-2003, point 1.2.10
Cuba	Violations of human rights	Bull. 4-2003, point 1.2.1
	Human rights and fundamental freedoms	Bull. 9-2003, point 1.2.5
Egypt	Violations of human rights	Bull. 4-2003, point 1.2.2
Guatemala	Peace process	Bull. 4-2003, point 1.2.3
Indonesia	Situation in Aceh province	Bull. 11-2003, point 1.2.4
Kazakhstan	Human rights situation	Bull. 1/2-2003, point 1.2.7
Nigeria	Trial and threat to stone Amina Lawal	Bull. 3-2003, point 1.2.5
Philippines	Death penalty	Bull. 12-2003, point 1.2.5
Togo	Sentence on Yannick Bigah, President of Christian Action for the Abolition of Torture (ACAT)	Bull. 4-2003, point 1.2.4
Turkey	Search of Ankara headquarters of Turkish Human Rights Association	Bull. 5-2003, point 1.2.4
Vietnam	Freedom of expression and religion	Bull. 5-2003, point 1.2.5
	Human rights situation	Bull. 11-2003, point 1.2.6
Zimbabwe	Human rights situation	Bull. 1/2-2003, point 1.2.10

**93. *Monitoring of elections.*** In 2003, the European Union continued action to support the process of democratisation by dispatching missions to observe elections in Cambodia, Guatemala, Mozambique, Nigeria and Rwanda.

**94. *EU action in international bodies.*** The importance that the EU attaches to respect for democratic principles and human rights was also reflected in its contribution to the work of various international bodies. Ahead of the 59th session of the UN Commission on Human Rights <sup>(1)</sup>, held in Geneva from 17 March to 25 April <sup>(2)</sup>, the European Parliament framed recommendations, on 30 January <sup>(3)</sup>, for a coordinated and concerted approach by the EU. The day after the opening of the session <sup>(4)</sup>, having recalled its conclusions of 2001 <sup>(5)</sup> and 2002 <sup>(6)</sup>, the Council approved the EU position on its action in this forum. On 23 October <sup>(7)</sup>, Parliament called on the Italian Presidency to lodge with the UN General Assembly (→ point 765) a draft resolution calling for the adoption of a universal moratorium on capital punishment.

<sup>(1)</sup> <http://www.unhchr.ch/html/menu2/2/chr.htm>.

<sup>(2)</sup> <http://www.unhchr.ch/html/menu2/2/59chr/>.

<sup>(3)</sup> Bull. 1/2-2003, point 1.2.1.

<sup>(4)</sup> Bull. 3-2003, point 1.2.2.

<sup>(5)</sup> Bull. 6-2001, point 1.9.11.

<sup>(6)</sup> Bull. 12-2002, point 1.2.3.

<sup>(7)</sup> Bull. 10-2003, point 1.2.3.

95. *International Criminal Court (ICC)* <sup>(1)</sup>. Matters relating to the ICC are dealt with in Section 1 ('Common foreign and security policy') of Chapter VI (→ point 754).
96. *Nobel Prize*. The European Council meeting on 16 and 17 October <sup>(2)</sup> congratulated Ms Shirin Ebadi on the Nobel Peace Prize awarded to her in recognition of her commitment to democracy and human rights in Iran.
97. *Trafficking in human beings*. Matters relating to trafficking in human beings are dealt with in Section 1 ('Area of freedom, security and justice') of Chapter V (→ points 535 and 537).
98. *Technical and financial assistance*. Technical and financial assistance from the Community for action to promote and defend human rights and fundamental freedoms and support for the democratisation process and for measures to promote respect for human rights and democratisation in conflict prevention amounted in 2003 to EUR 100 million.

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<sup>(1)</sup> <http://www.icc-cpi.int/>.

<sup>(2)</sup> Bull. 10-2003, point 1.2.1.



# The Community economic and social area

## Section I

### Economic and monetary policy <sup>(1)</sup>

#### Overview

99. *Economic growth remained lacklustre in the European Union in 2003. The poor performance in 2002 made its effects felt throughout the first half of the year. Growth will probably, therefore, be disappointing for the third year running, with the average growth rate expected to be only 0.4 % in the euro area (0.8 % in the European Union). However, the signs of recovery became more pronounced in the second half of the year. With flexible macroeconomic conditions, steadily falling inflation, benign financial conditions, progress with structural reforms and less uncertainty at geopolitical level, economic agents became more confident once again and the international economic situation perked up. In view of the prolonged economic slowdown, the spring European Council called for the implementation of sound macroeconomic policies designed to restore confidence and economic growth, while advocating closer coordination of budgetary policies. In addition, in pursuit of the Lisbon strategy, the Council, in the broad economic policy guidelines for 2003–05, called for investment in human capital, knowledge and innovation, for further progress in labour market reforms and for moves to promote the sustainability of public finances. The European Union’s growth initiative will encourage in particular investment in infrastructures and innovation. In order to promote sound macroeconomic policies, the Commission continued to implement the provisions of the Stability and Growth Pact, while the European Central Bank (ECB) endeavoured to ensure continuing price stability in the medium term. The Commission proposed using the headroom made available by the Pact to tackle the unfavourable cyclical conditions while, at the same time, attempting to*

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(1) Additional information is available on the Europa server ([http://europa.eu.int/comm/economy\\_finance/index\\_en.htm](http://europa.eu.int/comm/economy_finance/index_en.htm)).

*correct excessive deficits so as to prevent any deterioration in public finances. The ECB spelt out its monetary policy strategy aimed at avoiding any deflationary risk.*

## **Economic situation**

100. The economic recovery in the European Union (and in the euro area) that started in 2002 proved short-lived and did not initiate the dynamics necessary to bring economic growth back to potential. The European Union was faced with mounting unemployment and deteriorating public finances. Investment was held back by the required adjustment in corporate balance sheets in response to the build-up of debt during the last expansionary phase and by depressed profit margins. At the same time, the appreciation of the euro weighed on exports while the sluggish decline in inflation did not stimulate consumption. Investment too remained weak despite low interest rates. Leaving aside the adverse impact of several global economic shocks on the economic performance of the Union and the euro area since 2000, the pronounced slowdown in growth is also attributable to a number of domestic factors, and in particular structural rigidities on labour and product markets and the sluggish adaptation of the key macroeconomic price variables.

Initially, employment held up relatively well and the rise in unemployment remained limited. However, as the slowdown persisted, labour markets weakened. For the first time since 1994, the euro area lost some 200 000 jobs in 2003, while the unemployment rate climbed to 8.9 % (8.1 % in the European Union). Despite weak growth, headline inflation remained modest, while being sustained by a number of temporary factors such as oil price hikes, increases in food prices linked to the bad weather and the rise in indirect taxes. Core inflation could not fall much further either because of weak productivity growth and the way in which the appreciation of the euro gradually began to affect producer and consumer prices. Headline inflation was expected to average 2.1 % in the euro area (2 % in the European Union). The general government deficit is set to rise to 2.8 % of GDP in 2003 (2.7 % in the European Union). This deterioration in public finances is attributable only in part to sluggish growth since spending overruns compared with the targets set in the stability and convergence programmes also played their part.

The growth forecasts for the European Union and the euro area were revised downwards compared with the spring forecasts. The average growth rate of GDP is expected to be only 0.4 % in the euro area (0.8 % in the European Union). Recession though was avoided and a number of indicators suggest a rebound in economic activity underpinned by the improvement in the international climate, particularly in the United States and Asia, by generally flexible macroeconomic policies, by renewed confidence on the part of economic agents and by the restated commitments to pursue structural reforms.

## Economic policy coordination

101. *Lisbon strategy* <sup>(1)</sup>. In preparation for the spring European Council given over to monitoring the Lisbon strategy of economic, social and environmental renewal <sup>(2)</sup>, the Commission adopted on 14 January a report <sup>(3)</sup> in which it reviewed progress in achieving the Lisbon objectives and identified priorities for continuing with the Lisbon strategy in an enlarged European Union. On 12 February <sup>(4)</sup> Parliament stressed the need to step up coordination of the various processes of economic and social regulation. The Council, for its part, highlighted on 3 and 6 March the priority areas for action with regard to competitiveness and the future of the European employment strategy <sup>(5)</sup>. Meeting in Brussels on 20 and 21 March <sup>(6)</sup>, the European Council considered that sustainable growth remained firmly at the top of the Union's agenda. Against the background of an economic slowdown, it recommended implementation of sound macroeconomic policies in order to restore confidence and economic growth, while advocating closer coordination of budgetary policies. On 8 October the Commission presented its annual communication on the structural indicators on which it plans to draw when preparing its next annual report for presentation to the spring European Council <sup>(7)</sup>. On this basis, the Council adopted conclusions on structural indicators on 27 October <sup>(8)</sup>, 4 November <sup>(9)</sup> and 8 December <sup>(10)</sup>, underscoring the need to adapt them to environmental issues and to improve them with a view to gauging the real impact of the economic reforms.

In response to a request from Mr Prodi, Commission President, a document entitled 'An agenda for a growing Europe — Making the EU economic system deliver' <sup>(11)</sup> was drawn up by a group of independent experts under the chairmanship of Mr Sapir and was published in July. A six-point agenda is proposed with a view to achieving the objectives of the Lisbon strategy and making enlargement a success: to make the single market more dynamic; to boost investment in knowledge; to improve the macroeconomic policy framework; to redesign policies for convergence and restructuring; to achieve effectiveness in decision-taking and regulation; and to refocus the EU budget.

102. *European action for growth*. This initiative, which was launched by the Council on 15 July <sup>(12)</sup> following the Thessaloniki European Council <sup>(13)</sup>, is based on stimulating investment in trans-European networks (TENs), infrastructure, and research and develop-

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<sup>(1)</sup> [http://europa.eu.int/comm/lisbon\\_strategy/index\\_en.html](http://europa.eu.int/comm/lisbon_strategy/index_en.html).

<sup>(2)</sup> 2000 General Report, point 37.

<sup>(3)</sup> COM(2003) 5; Bull. 1/2-2003, point 1.1.3.

<sup>(4)</sup> Bull. 1/2-2003, point 1.1.5.

<sup>(5)</sup> Bull. 3-2003, point 1.1.1.

<sup>(6)</sup> Bull. 3-2003, points I.5 to I.23.

<sup>(7)</sup> COM(2003) 585; Bull. 10-2003, point 1.3.7.

<sup>(8)</sup> Bull. 10-2003, point 1.3.9.

<sup>(9)</sup> Bull. 11-2003, point 1.3.2.

<sup>(10)</sup> Bull. 12-2003, point 1.3.5.

<sup>(11)</sup> [http://europa.eu.int/comm/dgs/policy\\_advisers/experts\\_groups/ps2/high\\_level\\_study\\_group\\_index\\_en.htm](http://europa.eu.int/comm/dgs/policy_advisers/experts_groups/ps2/high_level_study_group_index_en.htm).

<sup>(12)</sup> Bull. 7/8-2003, point 1.3.1.

<sup>(13)</sup> Bull. 6-2003, point I.2.1.

ment (R & D) projects. Within the context of the Lisbon strategy, it is designed to support growth, competitiveness and employment as well as to increase investment in physical and human capital. In this connection, an interim report was adopted by the Council on 7 October <sup>(1)</sup> following the Commission communication of 1 October <sup>(2)</sup>. This report was endorsed by the Brussels European Council on 16 and 17 October <sup>(3)</sup>. The Council's final report <sup>(4)</sup>, which was adopted following the Commission communication of 11 November <sup>(5)</sup>, was approved at the European Council on 12 December <sup>(6)</sup>.

### Broad economic policy guidelines (BEPGs)

**103. *Preparation for the 2003 guidelines.*** In preparing the new BEPGs, the Commission presented the 2002 review of the economy in the European Union in order to stimulate discussion on economic policy matters <sup>(7)</sup>. On 14 January it published an overall assessment <sup>(8)</sup> of the implementation of the recommendations set out in the BEPGs for 2002, a year marked by the successful introduction of euro notes and coins, the absence of any economic recovery, persistent inflation and a deterioration in the budgetary positions of some Member States. On 18 February <sup>(9)</sup> the Council welcomed the Commission's thorough assessment. In a paper adopted on 7 March <sup>(10)</sup>, it also set out the key issues relating to the BEPGs for 2003. On 12 March Parliament adopted a resolution <sup>(11)</sup> presenting a preparatory report in which it underscored the importance it attached to the Stability and Growth Pact and called for structural reforms to be speeded up. The European Economic and Social Committee adopted an own-initiative opinion <sup>(12)</sup> on the subject on 26 March.

**104. *Broad guidelines for 2003–05.*** The broad guidelines were formally adopted by the Council in a recommendation of 26 June <sup>(13)</sup>. In accordance with Article 99(2) of the EC Treaty, they had previously been the subject of a Commission recommendation of 8 April <sup>(14)</sup> and a Council report of 3 June <sup>(15)</sup>. Parliament adopted a resolution on 15 May <sup>(16)</sup> and the broad guidelines were subsequently approved by the Thessaloniki

<sup>(1)</sup> Bull. 10-2003, point 1.3.3.

<sup>(2)</sup> COM(2003) 579; Bull. 10-2003, point 1.3.2.

<sup>(3)</sup> Bull. 10-2003, point I.4.

<sup>(4)</sup> Bull. 11-2003, point 1.3.4.

<sup>(5)</sup> COM(2003) 690; Bull. 11-2003, point 1.3.3.

<sup>(6)</sup> Bull. 12-2003, point 1.3.

<sup>(7)</sup> *European Economy*, No 6/2002; ([http://europa.eu.int/comm/economy\\_finance/publications/european\\_economy/the\\_eu\\_economy\\_review2002\\_en.htm](http://europa.eu.int/comm/economy_finance/publications/european_economy/the_eu_economy_review2002_en.htm)).

<sup>(8)</sup> COM(2003) 4; Bull. 1/2-2003, point 1.3.10.

<sup>(9)</sup> Bull. 1/2-2003, point 1.3.11.

<sup>(10)</sup> Bull. 3-2003, point 1.3.8.

<sup>(11)</sup> Bull. 3-2003, point 1.3.9.

<sup>(12)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.3.10.

<sup>(13)</sup> Recommendation 2003/555/EC (OJ L 195, 1.8.2003; Bull. 6-2003, point 1.3.4).

<sup>(14)</sup> COM(2003) 170; Bull. 4-2003, point 1.3.1.

<sup>(15)</sup> Bull. 6-2003, point 1.3.3.

<sup>(16)</sup> Bull. 5-2003, point 1.3.3.

European Council on 19 and 20 June <sup>(1)</sup> before being welcomed in a European Economic and Social Committee opinion of 11 December <sup>(2)</sup>.

In accordance with the call by the Brussels European Council of 20 and 21 March to give streamlined key policy coordination instruments a three-year perspective <sup>(3)</sup>, the broad economic policy guidelines have for the first time been drawn up for a three-year period (2003–05). In order to create efficient economic conditions conducive to growth, the Council recommended in the BEPGs that the Member States pursue sound macro-economic policies geared to supporting growth and employment and safeguarding price stability, while promoting competitiveness and dynamism through investment in human capital, knowledge and innovation; press ahead with the reforms aimed at increasing the growth potential in the European Union as well as employment by facilitating job creation and improving the working of the labour market via measures to make work more attractive, to organise work in a more flexible and innovative way and to increase labour mobility; and strengthen the sustainability of public finances, in particular by further reducing government debt ratios and reforming pension and healthcare systems.

105. *Enlargement.* In its conclusions of 15 July <sup>(4)</sup>, the Council identified the key structural reform challenges in the future Member States and considered that these countries should be included in the update of the BEPGs from 2004 and in the BEPG implementation report from 2005.

106. *2003 review.* On 26 November the Commission presented its annual review of the EU economy <sup>(5)</sup>. It set out economic analyses covering various macroeconomic aspects, productivity, education, growth, wages and international capital flows.

### Stability and Growth Pact; public finances

107. *Stability and Growth Pact.* In its conclusions of 18 February <sup>(6)</sup>, the Council outlined a code of best practice for compiling and reporting data in the context of the excessive deficit procedure. It stressed the importance of the accurate and speedy compilation of budgetary data and their prompt reporting to the Commission, which was the statistical authority. In a report of 7 March <sup>(7)</sup>, it acknowledged the need to improve economic policy coordination with a view to better implementation of the Stability and Growth Pact. In this connection, it welcomed the Commission communication of 2002 <sup>(8)</sup> and called for an analysis of certain circumstances relating to the monitoring of budget balances. In a resolution adopted on

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<sup>(1)</sup> Bull. 6-2003, point 1.19.

<sup>(2)</sup> Bull. 12-2003, point 1.3.6.

<sup>(3)</sup> Bull. 3-2003, point 1.6.

<sup>(4)</sup> Bull. 7/8-2003, point 1.3.9.

<sup>(5)</sup> COM(2003) 729; Bull. 11-2003, point 1.3.6.

<sup>(6)</sup> Bull. 1/2-2003, point 1.3.12.

<sup>(7)</sup> Bull. 3-2003, point 1.3.7.

<sup>(8)</sup> COM(2002) 668; 2002 General Report, point 58.

12 March <sup>(1)</sup>, Parliament stressed its commitment to the Stability and Growth Pact as a major pillar of economic and monetary union, and called for its basic principles to be included in the future Constitutional Treaty and for the necessary adjustments to be made for an intelligent and flexible application of the Pact in the manner proposed by the Commission. It also highlighted the importance of an EU framework for budgetary surveillance upon the accession of the new Member States. On 9 December the Commission proposed a regulation requiring Member States to provide data on their quarterly government debt so that it could monitor their budgetary situation more closely (Table II).

108. *Stability and convergence programmes.* On a recommendation from the Commission <sup>(2)</sup>, the Council adopted on 21 January <sup>(3)</sup>, 18 February <sup>(4)</sup>, 7 March <sup>(5)</sup>, 13 May <sup>(6)</sup> and 15 July <sup>(7)</sup> a series of opinions on the updated stability and convergence programmes of the euro-area countries. On 12 March Parliament adopted its annual assessment <sup>(8)</sup> of implementation of the stability and convergence programmes. It welcomed the satisfactory results achieved in most Member States and encouraged the others to follow suit.

109. *Excessive deficit procedures.* In the case of Germany, the Council adopted on 21 January a decision noting the existence of an excessive deficit <sup>(9)</sup>. At the same time, it addressed to the German authorities a recommendation that by 21 May they take the necessary measures to put an end to the excessive deficit situation in the course of 2004 at the latest. As regards France, it adopted on 21 January a recommendation <sup>(10)</sup> with a view to giving early warning in order to prevent the occurrence of an excessive deficit, and then on 3 June it adopted a decision noting the existence of an excessive deficit <sup>(11)</sup>. At the same time, it recommended that the excessive deficit situation be brought to an end in 2004, calling on the French authorities to adopt the appropriate measures by 3 October.

Having noted on 8 October and 18 November respectively that France <sup>(12)</sup> and Germany <sup>(13)</sup> would be unable to put an end to their excessive deficit situations in 2004 on account of the unexpected downturn in the economic situation, the Commission called on

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<sup>(1)</sup> Bull. 3-2003, point 1.3.4.

<sup>(2)</sup> Bull. 1/2-2003, points 1.3.13, 1.3.14, 1.3.15, 1.3.17, 1.3.18, 1.3.19, 1.3.21, 1.3.22, 1.3.23, 1.3.24 and 1.3.25; Bull. 3-2003, points 1.3.13 and 1.3.14; Bull. 5-2003, point 1.3.4; Bull. 6-2003, point 1.3.6.

<sup>(3)</sup> OJ C 26, 4.2.2003; Bull. 1/2-2003, points 1.3.15 (Germany), 1.3.17 (Greece), 1.3.19 (France), 1.3.22 (Italy) 1.3.23 (Finland) and 1.3.24 (Sweden).

<sup>(4)</sup> OJ C 51, 5.3.2003; Bull. 1/2-2003, points 1.3.13 (Belgium), 1.3.14 (Denmark), 1.3.18 (Spain), 1.3.21 (Ireland) and 1.3.25 (United Kingdom).

<sup>(5)</sup> OJ C 64, 18.3.2003; Bull. 3-2003, points 1.3.13 (Luxembourg) and 1.3.14 (Portugal).

<sup>(6)</sup> OJ C 123, 24.5.2003; Bull. 5-2003, point 1.3.4 (Austria).

<sup>(7)</sup> OJ C 173, 23.7.2003; Bull. 7/8-2003, point 1.3.10 (Netherlands).

<sup>(8)</sup> Bull. 3-2003, point 1.3.12.

<sup>(9)</sup> Decision 2003/89/EC (OJ L 34, 11.2.2003; Bull. 1/2-2003, point 1.3.16).

<sup>(10)</sup> Recommendation 2003/90/EC (OJ L 34, 11.2.2003; Bull. 1/2-2003, point 1.3.20).

<sup>(11)</sup> Decision 2003/487/EC (OJ L 165, 3.7.2003; Bull. 6-2003, point 1.3.5).

<sup>(12)</sup> Bull. 10-2003, point 1.3.10.

<sup>(13)</sup> Bull. 11-2003, point 1.3.7.

the Council on 21 October <sup>(1)</sup> and 18 November <sup>(2)</sup> to grant them a further period of one year and to direct them to restore a sound situation by 2005. In its conclusions of 25 November <sup>(3)</sup>, the Council, while adopting in substance the Commission's conclusions, decided to suspend the excessive deficit procedures initiated in respect of Germany and France on account of the undertakings given publicly by them to bring their deficit to below 3 % of GDP by 2005 at the latest. The Commission regretted that these decisions had been taken since, in its opinion, they were not sufficiently justified and violated the spirit of the Treaty. Parliament expressed its concern in this connection on 4 December.

110. *Convergence report on Sweden*. On 12 March Parliament agreed <sup>(4)</sup> with the assessment made by the Commission in its 2002 convergence report on Sweden <sup>(5)</sup>, finding that it did not fulfil the convergence criteria.

111. *Public finances*. On 12 March <sup>(6)</sup> the European Parliament adopted a resolution on public finances in economic and monetary union. On 21 May the Commission adopted its 2003 report <sup>(7)</sup>, the fourth such report, on public finances in economic and monetary union, in which it reviewed the Member States' budgetary results in 2002 and assessed their prospects in the short and medium term.

## Monetary policy

112. *Activities of the European Central Bank (ECB)* <sup>(8)</sup>. In May the Governing Council completed its evaluation of the ECB's monetary policy strategy. The definition of price stability adopted in 1998 ('a year-on-year increase in the harmonised index of consumer prices (HICP) of below 2 % for the euro area') and the statement to the effect that 'price stability is to be maintained over the medium term' were confirmed. At the same time, the Governing Council agreed that, in the pursuit of continued price stability, it would aim to keep inflation rates close to 2 % over the medium term, thereby providing a sufficient safety margin to guard against the risks of deflation, taking into account the implications of inflation differentials within the euro area.

The ECB also continued to ensure the transparency of its monetary policy by making public the economic analyses underlying its decisions at regular press conferences, in its monthly bulletin, in various other publications and in the speeches given by members of its Governing Council. In addition to the statutory reporting obligations incumbent on the ECB, its President and other members of the Executive Board spoke before Parliament's committees and before Parliament itself in plenary session.

<sup>(1)</sup> Bull. 10-2003, point 1.3.11.

<sup>(2)</sup> Bull. 11-2003, point 1.3.7.

<sup>(3)</sup> Bull. 11-2003, points 1.3.8 and 1.3.9.

<sup>(4)</sup> Bull. 3-2003, point 1.3.11.

<sup>(5)</sup> COM(2002) 243; 2002 General Report, point 64.

<sup>(6)</sup> Bull. 3-2003, point 1.3.4.

<sup>(7)</sup> COM(2003) 283; Bull. 5-2003, point 1.3.1. Previous report: COM(2002) 209; 2002 General Report, point 65.

<sup>(8)</sup> <http://www.ecb.int>.

Target, one of the world's largest payment systems, has continued to contribute considerably to the integration of the euro money market and to play an important part in the smooth implementation of the single monetary policy. The compensation scheme in the event of any malfunctioning of Target was improved. The work on the next generation of the system (Target2) made progress.

In the context of promoting the smooth functioning of payment systems, the ECB closely followed the developments in the single euro payments area (SEPA) and defined oversight standards for euro retail payment systems. Cooperation continued with the Committee of European Securities Regulators (CESR) in preparing standards for securities clearing and settlement systems in the European Union.

The ECB and the Eurosystem as a whole have continued to promote cooperation among the competent national authorities on prudential supervision and financial stability. The ECB has also contributed to the debate on the EU architecture for financial regulation, supervision and stability.

Following the successful introduction of euro notes and coins in 2002, the ECB began planning for the second series of notes and coins. In order to combat counterfeiting more effectively, a control system involving the ECB, the national central banks, Europol and the competent authorities in the Member States was set up.

The ECB has continued to develop and publish statistical information collected and compiled by the ESCB (European System of Central Banks), mainly on monetary and banking activities, securities issues, interest rates, balances of payments and financial accounts.

At European level, the ECB has continued to participate in meetings of the Ecofin Council, the Eurogroup, the Economic and Financial Committee and the Economic Policy Committee and in the macroeconomic dialogue. At international level, it has been involved in the activities of multilateral institutions and forums, either as a member (OECD, Bank for International Settlements, G7, G10 governors and G20) or as an observer (IMF, G10 ministers and governors, and the Financial Stability Forum). The ECB has also stepped up cooperation with the central banks of the accession countries. Since the signing of the Accession Treaty on 16 April, the governors and experts of those central banks have regularly taken part as observers in meetings of the Governing Council and committees of the ESCB. Immediately following the entry into force of the Treaty of Nice on 1 February, the Governing Council unanimously adopted a recommendation for a Council decision on the amendment of Article 10.2 of the statute of the ESCB. The ECB recommends that the voting rules of the Governing Council should be adapted to maintain its capacity for efficient and timely decision-making in an enlarged euro area.

The ECB has continued to issue opinions on Community and Member States' draft legislation in its field of competence.

The activities of the ECB are described in greater detail in its annual report, which was published in April <sup>(1)</sup>, and in its other publications. This report was the subject of a Parliament

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<sup>(1)</sup> <http://www.ecb.int/press/03/pr030429en.htm>.

resolution <sup>(1)</sup> of 3 July congratulating the ECB on the smooth introduction of euro banknotes and coins and on its reaction to economic and financial developments, and examining prospects for 2003 and beyond, in particular in the light of the extension of the euro area.

113. *Regulatory and statutory aspects.* Matters relating to the voting rules of the ECB's Governing Council and the appointment of its President are discussed in Chapter IX ('Institutions and other bodies') (→ point 1113).

114. *Subscription to the capital of the ECB.* On 15 July the Council defined the practical arrangements for the five-yearly adjustment of the weighting of the national central banks in the key for subscription to the capital of the ECB (Table II). Population, gross domestic product at current market prices and the annual exchange rate, in accordance with the European system of national and regional accounts in the Community, will be used to update the key initially laid down in 1998 <sup>(2)</sup>.

115. *Economic and Financial Committee.* In its conclusions of 18 February <sup>(3)</sup>, the Council endorsed the fifth progress report by the Economic and Financial Committee <sup>(4)</sup> on information requirements in economic and monetary union. On 18 June it decided <sup>(5)</sup> to revise the Economic and Financial Committee's statutes to enable it to continue to work effectively after the enlargement of the European Union. The Commission delivered an opinion on the revision on 21 May <sup>(6)</sup>.

116. *Sweden.* In a referendum held on 14 September <sup>(7)</sup>, the Swedish people voted by 56.1 to 41.8 % against joining the euro area.

117. *Practical aspects of the euro.* On 2 July the Commission recommended <sup>(8)</sup> increasing from EUR 670 000 to EUR 1 million the total value of euro coins which the Vatican City State is authorised to issue each year. On 7 October the Council endorsed <sup>(9)</sup> this increase in a decision authorising Italy to amend on behalf of the Community the monetary convention between it and the Vatican City State. Following the Commission recommendation of 29 September <sup>(10)</sup>, the Council laid down in its conclusions of 8 December <sup>(11)</sup> rules on both the modification of the standard national sides and the issuing for circulation of additional coins bearing a commemorative feature on the national side. In a resolution of 3 July <sup>(12)</sup>, Parliament assessed the introduction of euro banknotes and coins and made recommendations with a view to boosting the international role of the euro area. Analysis

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<sup>(1)</sup> Bull. 7/8-2003, point 1.3.5.

<sup>(2)</sup> Decision 98/382/EC (OJ L 171, 17.6.1998; 1998 General Report, point 58).

<sup>(3)</sup> Bull. 1/2-2003, point 1.3.8.

<sup>(4)</sup> [http://europa.eu.int/comm/economy\\_finance/epc/epc\\_en.htm](http://europa.eu.int/comm/economy_finance/epc/epc_en.htm).

<sup>(5)</sup> Decision 2003/476/EC (OJ L 158, 27.6.2003; Bull. 6-2003, point 1.3.2).

<sup>(6)</sup> OJ C 130, 4.6.2003; COM(2003) 282; Bull. 5-2003, point 1.3.2.

<sup>(7)</sup> Bull. 9-2003, point 1.3.2.

<sup>(8)</sup> COM(2003) 387; Bull. 7/8-2003, point 1.3.2.

<sup>(9)</sup> Decision 2003/738/EC (OJ L 267, 17.10.2003; Bull. 10-2003, point 1.3.4).

<sup>(10)</sup> Recommendation 2003/734/EC (OJ L 264, 15.10.2003).

<sup>(11)</sup> Bull. 12-2003, point 1.3.4.

<sup>(12)</sup> Bull. 7/8-2003, point 1.3.4.

and cooperation with respect to counterfeit euro coins are dealt with in Section 5 ('Protection of the Communities' financial interests and the fight against fraud') of Chapter VII (→ point 1062), while the fight against corruption and counterfeiting is discussed in Section 1 ('Area of freedom, security and justice') of Chapter V (→ point 526).

## International economic and financial matters

118. *Meeting of G7/G8 finance ministers.* On 21 and 22 February <sup>(1)</sup> the G7/G8 finance ministers and central bank governors met in Paris. They discussed development in Africa, combating the financing of terrorism and the deteriorating global economic situation.

On 11 April and 20 September the G7 finance ministers and central bank governors met in Washington and Dubai respectively. At the first meeting, the Commission was represented by Mr Solbes Mira, Commission Member. The G7 examined the questions relating to the development objectives for the new millennium and undertook to focus on those objectives and their financing. It restated its determination to combat the financing of terrorism and to cooperate with the International Financial Action Group (IFAG), the United Nations and the international financial institutions. After underscoring at the first summit the importance of the Doha programme for development, they expressed at the second summit their disappointment at the failure of the trade negotiations in Cancún. They argued for a resumption of the Doha cycle as soon as possible, with a view to promoting world growth and reducing poverty. While once again stressing their commitment to improving crisis prevention and resolution, they welcomed the progress made in implementing the contractual approach and in the work on the code of conduct for renegotiating sovereign debt. The measures and financial challenges involved in reconstructing and developing the Iraqi and the Palestinian economies were discussed. As regards the prospects for the world economy, the G7 adopted the 'growth agenda' with a view to increasing flexibility, productivity growth and employment in the G7 economies on the basis of supply-side reforms. Lastly, it discussed the work of the Financial Stability Forum in assessing the systemic weaknesses of financial markets.

119. *World Economic Forum.* On 12 February Parliament gave its views on the World Economic Forum at Davos and the World Social Forum at Porto Alegre (→ point 812).

## Financial operations

### Macrofinancial assistance <sup>(2)</sup>

120. *General aspects.* In a resolution of 3 June <sup>(3)</sup>, Parliament highlighted the need to introduce a suitable legal instrument for the implementation of macrofinancial assistance (MFA) to third countries in order to remedy certain legal shortcomings and streamline the lengthy deci-

<sup>(1)</sup> Bull. 1/2-2003, point 1.3.26.

<sup>(2)</sup> [http://europa.eu.int/comm/economy\\_finance/about/activities/activities\\_macrofinancialassistance\\_en.htm](http://europa.eu.int/comm/economy_finance/about/activities/activities_macrofinancialassistance_en.htm).

<sup>(3)</sup> Bull. 6-2003, point 1.3.7.

sion-making procedures. On 24 July the Commission adopted a report <sup>(1)</sup> on the implementation of macrofinancial assistance to third countries in 2002, in which it reviewed operations in the light of the economic and structural conditions attached to such aid. In its conclusions of 21 January <sup>(2)</sup>, the Council welcomed Special Report No 1/2002 of the Court of Auditors on macrofinancial assistance to third countries and structural adjustment facilities (SAFs) in the Mediterranean countries <sup>(3)</sup> and stressed the importance of a more harmonised approach between the different instruments of macroeconomic financial assistance and the need for improved transparency and economic monitoring.

121. *Assistance for the countries of the western Balkans.* On 25 November the Commission decided to raise the maximum amount of further macrofinancial assistance for Serbia and Montenegro to EUR 200 million (Table II), as opposed to the EUR 130 million initially laid down in Decision 2002/882/EC <sup>(4)</sup>, in order to ease the financial constraints facing the country. It decided to limit the loan component of the aid to EUR 80 million and its grant component to EUR 120 million. An initial tranche of EUR 10 million was paid in February and a second tranche of EUR 30 million in September. The third tranche (EUR 10 million) of the loan granted <sup>(5)</sup> to the Former Yugoslav Republic of Macedonia was paid in June, the fourth and final tranche (EUR 18 million) being paid in December.

122. *Assistance for Romania.* The second tranche (EUR 50 million) of the loan granted <sup>(6)</sup> was paid in July.

## Development of financing techniques

123. *Phare programme* <sup>(7)</sup>. A second tranche of EUR 15 million was earmarked for the municipal infrastructure facility <sup>(8)</sup>, to which the EIB will commit at least EUR 250 million. An additional commitment of EUR 35 million was made for the municipal finance facility <sup>(9)</sup>, to which the EIB, the EBRD and the Council of the European Development Bank (CEB/KfW) will provide a total of at least EUR 395 million.

124. *SME finance facility programme* <sup>(10)</sup>. The Commission continued to implement this programme, which is designed to encourage financial intermediaries in the candidate and accession countries in central and eastern Europe to expand their SME financing operations. At the beginning of the year, the EBRD, the CEB/KfW and the EIB earmarked EUR 716 million, EUR 338 million and EUR 450 million respectively for the facility, alongside

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<sup>(1)</sup> COM(2003) 444; Bull. 7/8-2003, point 1.3.11.

<sup>(2)</sup> Bull. 1/2-2003, point 1.3.28.

<sup>(3)</sup> OJ C 121, 23.5.2002.

<sup>(4)</sup> OJ L 308, 9.11.2002; 2002 General Report, point 79.

<sup>(5)</sup> OJ L 294, 16.11.1999; 1999 General Report, point 60.

<sup>(6)</sup> OJ L 294, 16.11.1999; 1999 General Report, point 59.

<sup>(7)</sup> <http://europa.eu.int/comm/enlargement/pas/phare/index.htm>.

<sup>(8)</sup> COM(2001) 437; 2002 General Report, point 83.

<sup>(9)</sup> 2002 General Report, point 83.

<sup>(10)</sup> [http://europa.eu.int/comm/economy\\_finance/about/activities/activities\\_sme02\\_en.htm](http://europa.eu.int/comm/economy_finance/about/activities/activities_sme02_en.htm).

Phare resources totalling EUR 241 million. The facility was increased via closer cooperation with the EBRD, the CEB/KfW and the EIB, corresponding overall to an additional Phare commitment of EUR 35 million, to which was added EUR 15 million for the rural window. At the end of December, Phare resources totalling EUR 182 million had been allocated to the projects. The Commission extended the facility's mechanisms to Cyprus by using EUR 1.5 million from the 2003 budget for pre-accession assistance.

### Financing ECSC (in liquidation) and Euratom activities

125. The ECSC's last financial report dated 23 July 2002 was adopted by the Commission on 7 January. The first financial report of the ECSC in liquidation <sup>(1)</sup> (at 31 December 2002) was adopted by the Commission on 30 September <sup>(2)</sup>. With the entry into force of the Treaty of Nice on 1 February, all assets and liabilities of the ECSC as at 23 July 2002 were transferred to the European Community on 24 July 2002. The necessary implementing provisions were laid down by the Commission on 1 February <sup>(3)</sup>.

### European Union Solidarity Fund (EUSF)

126. *Mobilisation of the Solidarity Fund.* In response to requests from Spain and Italy, which were severely affected by the disasters resulting from the sinking of the oil tanker *Prestige*, the earthquake in Molise and Apulia, and the eruption of Mount Etna, a Parliament and Council decision of 9 October <sup>(4)</sup> mobilised an amount of EUR 56.25 million from the EUSF, which was set up in 2002 <sup>(5)</sup>. The same day, the Commission adopted preliminary draft amending budget No 5/2003 (→ point 1040) in order to enter in the 2003 budget specific commitment appropriations broken down by recipient country, as required by point 4 of the interinstitutional agreement of 7 November 2002 <sup>(6)</sup>. A Parliament and Council decision of 9 October <sup>(7)</sup> mobilised an amount of EUR 31.655 million from the Solidarity Fund in order to grant aid to Portugal because of many large-scale fires affecting Portuguese forests and farm land in the summer of 2003. Accordingly, it adopted on the same day a preliminary draft amending budget No 6/2003 and on 25 September an amended preliminary draft (→ point 1040).

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<sup>(1)</sup> 2002 General Report, point 41.

<sup>(2)</sup> OJ C 245, 11.10.2003.

<sup>(3)</sup> Decision 2003/76/EC (OJ L 29, 5.2.2003).

<sup>(4)</sup> Decision 2003/785/EC (OJ L 290, 8.11.2003).

<sup>(5)</sup> Regulation (EC) No 2012/2002 (OJ L 311, 14.11.2002; 2002 General Report, point 362).

<sup>(6)</sup> OJ C 283, 20.11.2002; 2002 General Report, point 362.

<sup>(7)</sup> Decision 2003/786/EC (OJ L 290, 8.11.2003).

## European Investment Bank (EIB) <sup>(1)</sup>

127. *Loans granted.* In 2003, the EIB granted loans totalling EUR 42.4 billion (EUR 39.6 billion in 2002) in support of European Union objectives, of which EUR 34.2 billion in the Member States, EUR 4.6 billion in the candidate or accession countries (central Europe, Cyprus, Malta) and EUR 3.6 billion for partner countries (Table 4).

**Table 4**

<b>Contracts signed in 2003 and from 1998 to 2003</b>				
<i>(million EUR)</i>				
<b>Country</b>	<b>2003</b>		<b>1998–2003</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Belgium	540	1.6	2 112	1.1
Denmark	907	2.7	4 988	2.7
Germany	6 443	18.8	30 449	16.4
Greece	1 190	3.5	7 061	3.8
Spain	6 291	18.4	24 479	13.2
France	4 095	12.0	19 506	10.5
Ireland	538	1.6	1 937	1.0
Italy	5 925	17.3	26 988	14.5
Luxembourg	184	0.5	572	0.3
Netherlands	522	1.5	2 391	1.3
Austria	900	2.6	4 031	2.2
Portugal	1 645	4.8	8 662	4.7
Finland	780	2.3	3 257	1.8
Sweden	890	2.6	3 708	2.0
United Kingdom	3 239	9.5	15 424	8.3
Other <sup>(1)</sup>	99	0.3	991	0.5
<b>European Union – Total</b>	<b>34 187</b>	<b>80.8</b>	<b>156 556</b>	<b>84.2</b>
Central and eastern European candidate and accession countries	4 354	10.3	15 479	8.3
Cyprus and Malta	235	0.6	730	0.4
Candidate and accession countries — Total	4 589	10.8	16 209	8.7
(including pre-accession facility)	3 867	9.1	12 378	6.7
Mediterranean countries (except Cyprus and Malta) <sup>(2)</sup>	2 088	4.9	7 092	3.8
ACP, OTCs and South Africa	723	1.7	2 790	1.5
Asia and Latin America	348	0.8	1 907	1.0
Balkans	372	0.9	1 330	0.7
Russia	25	0.1	25	0.0
<b>Partner countries – Total</b>	<b>3 556</b>	<b>8.4</b>	<b>13 144</b>	<b>7.1</b>
<b>Grand total</b>	<b>42 332</b>	<b>100.0</b>	<b>185 909</b>	<b>100.0</b>

<sup>(1)</sup> Projects of Community interest located outside the territory of the Member States, granted under Article 18 of the statutes of the EIB.

<sup>(2)</sup> Including Turkey. The Bank's operations in Turkey (EUR 600 million) are carried out under a number of mandates, with EUR 100 million under the Euro-Mediterranean partnership.

<sup>(1)</sup> Copies of the EIB's annual report and of other publications relating to the Bank's work and its operations can be obtained from the main office (Information and Communications Department, 100 Boulevard Konrad Adenauer, L-2950 Luxembourg, fax (352) 43 79-3189) or from its external offices or can be consulted on the Internet (<http://www.eib.org/>).

128. *Within the European Union.* Loans granted in the European Union totalled EUR 34.2 billion, including EUR 23.6 billion in individual loans and EUR 10.6 billion in global loans concluded with around 100 partner banks and financial institutions with a view to financing small to medium-scale investment projects in industry, services, education and health or small infrastructure projects for local authorities. Of the individual loans, 69 % were granted for investment contributing to the development of the less-favoured regions. Contracts signed in 2003 under the Innovation 2000 initiative totalled EUR 4.9 billion, including EUR 1.8 billion for research and development. Individual loans for environmental protection totalled EUR 10.7 billion, while those for European communications infrastructure amounted to EUR 8.2 billion. Assistance totalled EUR 2.6 billion in education and health.

129. *Outside the European Union.* Operations outside the European Union amounted to EUR 8.1 billion (EUR 6.2 billion in 2002).

In the accession and candidate countries, assistance totalled EUR 4.6 billion, of which EUR 3.9 billion under the pre-accession facility. It was allocated chiefly to communication infrastructures intended to strengthen links with the European Union. Contracts signed under the Innovation 2000 initiative totalled EUR 1.3 billion.

In the Balkans an amount of EUR 372 million was granted for investment projects associated with the rebuilding of the region's economic potential, priority being given to infrastructure projects and SMEs.

In the Mediterranean basin (excluding Cyprus and Malta), financing totalled EUR 2.1 billion under the Euro-Mediterranean investment facility. Taking account of the conclusions of a forward-looking study by its departments, the Commission adopted on 15 October a communication <sup>(1)</sup> in which it takes the view that the two options proposed, namely, to retain and strengthen the Euro-Mediterranean investment and partnership facility (FEMIP) or to transform it into an EIB majority-owned subsidiary, can provide additional support for the development of the private sector in the region. The Commission favours the option of incorporating FEMIP into a subsidiary in so far as this would better reflect the needs of the private sector and would, therefore, be more effective, while ensuring a high degree of ownership and visibility for the instrument.

In the ACP countries and OCTs, total financing was EUR 723 million, of which EUR 463 million under the investment facility and EUR 260 million in South Africa. Lastly, the EIB continued its operations in the countries of Latin America (EUR 254 million) and Asia (EUR 94 million).

On 13 October, the Commission presented a mid-term review of the EIB's external lending mandate, accompanied by a proposal for a decision aimed at taking into account enlargement and the new neighbourhood policy <sup>(2)</sup>.

<sup>(1)</sup> 'Shaping support for private sector development in the Mediterranean' (COM(2003) 587).

<sup>(2)</sup> COM(2003) 603; Bull. 10-2003, point 1.7.7.

130. *Activity on capital markets.* The EIB obtained the funds needed for its lending activities by borrowing a total of EUR 42.1 billion on capital markets, 59 % of which was raised, prior to conversion, in Community currencies and in euro.

131. *EIB 2002 annual report.* In its report on the Community's borrowing and lending activities in 2002, which was adopted on 19 December <sup>(1)</sup>, the Commission gives the breakdown of EIB loans by geographical area. It also provides a concise summary of macrofinancial assistance provided by the Community to the countries of central and eastern Europe and of the interest subsidies and guarantees tied to Community loans.

### European Investment Fund (EIF) <sup>(2)</sup>

132. The European Investment Fund is part of the EIB group and provides venture capital and guarantees for SMEs. It acts in support of Community objectives and operates solely via financial intermediaries <sup>(3)</sup>.

133. *Venture-capital investment.* New operations totalling some EUR 150 million were signed, bringing the total portfolio to just under EUR 2.6 billion. Even though commitments were down on 2002, disbursements — including those linked to operations signed previously — allowed the EIF to keep relatively constant the level of investment resources available for the venture-capital sector.

134. *Guarantees for SMEs.* Guarantees, estimated at some EUR 2.3 billion at the end of the year, were 85 % higher than in 2002. This development was attributable to the growth of the securitisation market in Europe and to the volume of loan guarantees in the European Union and was characterised by a steady rise in demand and in the associated workload as regards the accession and candidate countries. Securitisation and loan guarantees are the EIF's main guarantee products. The number of SMEs that have benefited indirectly from EIF guarantees is put at over 250 000, including 140 000 that have benefited from Community resources (→ point 307).

135. *Commission financial instruments.* The Commission financial instruments are managed by the EIF under the growth and employment programme and the multiannual programme for enterprise covering the period 2001–05 (→ point 296). The multiannual programme for enterprise includes the ETF start-up facility, the seed capital action (a programme of grants covering the costs of recruiting investment managers) and the SME guarantee facility. The portfolio of EIF guarantee and risk-capital operations under the European Union's mandate stands at some EUR 4.6 billion.

136. *Consultancy activities.* The EIF has developed financial engineering facilities to help bodies wishing to create an environment conducive to SME financing in connection

<sup>(1)</sup> COM(2003) 803; Bull. 12-2003, point 1.3.8.

<sup>(2)</sup> <http://www.eif.org/>.

<sup>(3)</sup> 2000 General Report, point 83.

with risk capital and guarantees <sup>(1)</sup>. This activity now extends to bodies other than the regional development agencies, for which it was initially envisaged.

### **European Bank for Reconstruction and Development (EBRD) <sup>(2)</sup>**

137. *EBRD general meeting.* The 12th general meeting <sup>(3)</sup> was held in Tashkent (Uzbekistan) on 4 and 5 May in the presence of a Commission representative.

138. *EBRD financing.* According to an initial evaluation of the year's results, the EBRD committed a total of EUR 3.7 billion in new operations, of which 12 % as equity and 88 % in the form of loans. The Commission disbursed EUR 8.437 million following the European Community's decision to subscribe extra shares in the capital of the EBRD <sup>(4)</sup>. It also continued to cooperate closely with the EBRD in the co-financing of projects and the provision of the corresponding technical assistance.

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<sup>(1)</sup> 2002 General Report, point 95.

<sup>(2)</sup> <http://www.ebrd.org/index.htm>.

<sup>(3)</sup> Previous meeting: 2002 General Report, point 96.

<sup>(4)</sup> Decision 97/135/EC (OJ L 52, 22.2.1997).

*Section 2***Statistical system <sup>(1)</sup>****Overview**

139. *In 2003 the EU continued its work on improving the collection and dissemination of statistical data, in particular by establishing a nomenclature of territorial statistical units and by improving the system of national accounts. Significant legislative progress was also made on social statistics, such as those on the cost of labour, income and living conditions, and on agricultural statistics. The EU also worked on defining harmonised frameworks for collecting and analysing statistics in other specific sectors.*

**Policy aspects**

140. *European system of national and regional accounts.* On 26 May, in order to provide a legal framework for the geographical breakdown of the European Union's territory on the basis of which Community regional statistics are collected, the European Parliament and the Council adopted Regulation (EC) No 1059/2003 (Table I) on the establishment of a common classification of territorial units for statistics (NUTS). On 16 June they adopted Regulation (EC) No 1267/2003, which modifies and improves the system for collecting and analysing statistics for national accounts (Table I). Moreover, on 8 May, with the intention of making the full series of quarterly financial accounts for general government available from 2005, the Commission put forward a proposal to require Member States to transmit quarterly data on financial transactions and on financial assets and liabilities (Table I). In order to establish a common framework for Member States' participation in the drawing up of European accounts, the Commission proposed on 16 December a regulation on quarterly non-financial accounts by institutional sectors (Table I).

141. *Trading of goods.* On 25 February <sup>(2)</sup> the Commission presented a report on the implementation of the Edicom programme on inter-administration telematic networks for statistics relating to the trading of goods between Member States (1997–99) <sup>(3)</sup>, and on 20 June it proposed that the Intrastat statistical system in force for such trade be improved and simplified (Table I).

142. *Economic and monetary policy.* On 18 February <sup>(4)</sup>, in preparation for the spring European Council (→ point 1094), the Council adopted a report on euro-zone statistics prepared jointly with the Commission <sup>(5)</sup>, in which it set out the need to define methodo-

<sup>(1)</sup> Further information is available on the Europa server (<http://europa.eu.int/comm/eurostat/>).

<sup>(2)</sup> COM(2003) 88; Bull. 1/2-2003, point 1.3.33.

<sup>(3)</sup> Council Decision 1996/715/EC (OJ L 327, 18.12.1996; 1996 General Report, point 331).

<sup>(4)</sup> Bull. 1/2-2003, point 1.3.9.

<sup>(5)</sup> COM(2002) 661; 2002 General Report, point 100.

logical principles for drawing up European macroeconomic statistics. In order to increase the comparability, reliability and completeness of the data on Member States, on 15 July the Council adopted Regulation (EC, Euratom) No 1287/2003, which sets out methods of calculation for harmonising GNI (gross national income at market prices) (Table II). On 29 January <sup>(1)</sup>, in accordance with the rules set out in Regulation (EC) No 1165/98 <sup>(2)</sup>, the Commission adopted a report on the situation concerning short-term statistics at the end of 2001. On 20 August the Commission proposed that a framework be established for the systematic production of Community statistics on the balance of payments, international trade in services and foreign direct investment (Table I). On 26 May it proposed that Council Decision 91/115/EEC <sup>(3)</sup> establishing a Committee on Monetary, Financial and Balance-of-payments Statistics be codified (Table II).

143. *Employment and social policy.* On 27 February the European Parliament and the Council adopted Regulation (EC) No 450/2003 establishing a common framework for the production, transmission and evaluation of comparable labour cost indices in the Community (Table I). On 16 June, with a view to assessing the composition and level of poverty and social exclusion in the Member States, they laid down, in Regulation (EC) No 1177/2003, a system for producing Community statistics on income and living conditions (EU-SILC) (Table I). On 9 December <sup>(4)</sup>, the Commission adopted a report on the implementation by Member States of the legislation on the organisation of a labour force sample survey in the Community. On 25 November the European Parliament and the Council adapted the list of characteristics for such surveys (Table I). In a report adopted on 14 March <sup>(5)</sup>, the Commission recommended that the requirement to collect data on earnings and labour costs be extended to units with fewer than 10 employees.

144. *Agricultural statistics.* For the purpose of maintaining and improving the quality of data related to the common agricultural policy, on 5 December the European Parliament and the Council adopted a regulation laying down the legal framework governing the methodology and the transmission of the economic accounts for agriculture (Table I). On 24 February <sup>(6)</sup> the Commission adopted its fourth report on the implementation of the Eurofarm project <sup>(7)</sup>. On 2 April <sup>(8)</sup> and 16 April <sup>(9)</sup> it stated its positions, respectively, on the need for statistics regarding milk and milk products and on the application of area frame surveys and remote-sensing techniques to the agricultural statistics for 1999 to 2003. In light of these conclusions, on 5 December the European Parliament and the Council amended the statistical system currently used for milk and milk products (Table I), and on

<sup>(1)</sup> COM(2003) 36; Bull. 1/2-2003, point 1.3.29.

<sup>(2)</sup> OJ L 162, 5.6.1998; 1998 General Report, point 98.

<sup>(3)</sup> OJ L 59, 6.3.1991; Twenty-fifth General Report, point 1226.

<sup>(4)</sup> COM(2003) 760; Bull. 12-2003, point 1.3.10.

<sup>(5)</sup> COM(2003) 118; Bull. 3-2003, point 1.3.18.

<sup>(6)</sup> COM(2003) 86; Bull. 1/2-2003, point 1.3.159.

<sup>(7)</sup> OJ L 56, 2.3.1988; Twenty-second General Report, point 74.

<sup>(8)</sup> COM(2003) 159; Bull. 4-2003, point 1.3.2.

<sup>(9)</sup> COM(2003) 181; Bull. 4-2003, point 1.3.5

10 November they extended the application of the survey techniques until 2007 (Table I). In the context of enlargement, on 15 October the Commission proposed a Community contribution to the new Member States under Regulation (EEC) No 571/88 on the organisation of Community surveys on the structure of agricultural holdings (Table I). On 5 December <sup>(1)</sup>, in accordance with Regulation (EEC) No 357/79 on statistical surveys of areas under vines <sup>(2)</sup>, the Commission adopted a report on the experience gained and the results obtained from the third basic survey of vineyards throughout the Community.

145. *Other sectors.* On 15 April the Commission adopted a communication <sup>(3)</sup> to present an action plan for the collection and analysis of Community statistics in the field of asylum and migration. The European Parliament stated its position on this initiative on 6 November <sup>(4)</sup>. With regard to the information society, on 25 August the Commission proposed that a legal framework be defined to enable national statistical institutes to provide the statistics needed for structural indicators and the *eEurope* comparative method (Table I). On 27 February the European Parliament and the Council adopted Regulation (EC) No 437/2003, which provides for the harmonised collection by Member States of statistical data on the carriage of passengers, freight and mail by air (Table I). In order to set up a Community statistical system for science, technology and innovation and to contribute to directing Community policy, on 22 July they adopted Decision No 1608/2003/EC (Table I). On 5 December they laid down a framework for the production of annual Community steel statistics for the period 2003–09 (Table I).

## Publications

146. Eurostat's publications in 2003 included, in particular, the *Eurostat yearbook* and three other yearbooks on business, the regions and the future Member States and candidate countries, together with more specialised publications such as the *Economic portrait of the European Union* and the *Panorama of transport*. Various pocketbooks were also published, notably in the fields of energy and of science and technology, together with approximately 200 issues of *Statistics in focus*, covering all of the statistical areas dealt with by Eurostat. In addition, approximately 150 press releases, of which around a hundred concerned euro-indicators, were also issued, including, for the first time, quarterly press releases giving flash estimates of GDP. To celebrate Eurostat's 50th anniversary, a pocketbook containing statistics from the last 50 years was published, as was *Memoirs of Eurostat*, a book recounting the history of Eurostat. All the issues of *Statistics in focus*, the press releases and the publications on Eurostat's anniversary are available free of charge from Eurostat's website <sup>(5)</sup>.

<sup>(1)</sup> COM(2003) 752; Bull. 12-2003, point 1.3.9.

<sup>(2)</sup> OJ L 154, 5.3.1979.

<sup>(3)</sup> COM(2003) 179; Bull. 4-2003, point 1.3.4.

<sup>(4)</sup> Bull. 11-2003, point 1.3.13.

<sup>(5)</sup> <http://europa.eu.int/comm/eurostat/>.

### Section 3

## Employment and social policy <sup>(1)</sup>

### Overview

147. *The social policy agenda, a programming instrument covering the period from 2000 to 2005, reached its midpoint in 2003. To take account of changes in society and the labour market, and in view of the forthcoming enlargement, a mid-term review of the agenda was conducted and appropriate changes were made to the strategy. Also in 2003, the European Union formulated a simplified and more effective European employment strategy, based on a streamlined approach to the employment guidelines. Moreover, with a view to reinforcing the social dimension of the Lisbon strategy, the Commission adopted a communication seeking to streamline policy coordination processes in various areas of social protection (inclusion, pensions, healthcare, employment incentives). As a further part of the modernisation of social protection systems, it set about introducing a common model for a health insurance card, and supported the Member States in their efforts to reform social protection systems. Lastly, 2003 was the European Year of People with Disabilities, in connection with which a European action plan was adopted to promote the social and occupational integration of people with disabilities.*

### Social policy agenda follow-up <sup>(2)</sup>

148. *General aspects.* On 6 February <sup>(3)</sup>, the Commission adopted the third scoreboard on implementing the social policy agenda, setting out the achievements of 2002 and supplementing the annual summary report to the spring European Council (→ point 1094). On 2 June <sup>(4)</sup>, it produced a mid-term assessment of the way the agenda was being applied and decided on a number of measures, including ways to adapt it to the new challenges posed by enlargement. On 3 September <sup>(5)</sup>, the European Parliament delivered its views on the guidelines set out in the scoreboard. On 10 December <sup>(6)</sup>, the European Economic and Social Committee gave its opinion on the mid-term review of the agenda.

### Employment

149. *Lisbon strategy follow-up.* Meeting in Brussels on 20 and 21 March for its third spring session, with the focus on developing the strategy formulated in Lisbon in March

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/employment\\_social/index\\_en.htm](http://europa.eu.int/comm/employment_social/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/employment\\_social/social\\_policy\\_agenda/social\\_pol\\_ag\\_en.html](http://europa.eu.int/comm/employment_social/social_policy_agenda/social_pol_ag_en.html).

<sup>(3)</sup> COM(2003) 57; Bull. 1/2-2003, point 1.3.38. Previous scoreboard: COM(2002) 89; 2002 General Report, point 111.

<sup>(4)</sup> COM(2003) 312; Bull. 6-2003, point 1.3.14.

<sup>(5)</sup> Bull. 9-2003, point 1.3.10.

<sup>(6)</sup> Bull. 12-2003, point 1.3.17.

2000 in the field of economic, social and environment policy (→ point 1094), the European Council noted that considerable progress had been made in implementing the strategy, including the creation of five million jobs, and took the view that modernising the European social model constituted a priority for the European Union. It advocated a number of initiatives, such as the introduction of a simplified European employment strategy and the creation of a European employment task force (→ point 151). On 14 January <sup>(1)</sup>, as part of the preparation for this European Council, the Commission had pointed to the need for the Member States to make further efforts to implement the employment aspect of the strategy.

Acknowledging the all-important role of knowledge within the Lisbon strategy, the Council, in a resolution of 15 July <sup>(2)</sup>, called on the Member States to pay special attention to the building of social and human capital in the formulation of their policies, especially in the fields of education and training, work, social cohesion and gender equality, and with special reference to the new information technologies.

150. *European employment strategy (EES)* <sup>(3)</sup>. Responding to the Brussels European Council <sup>(4)</sup>, which saw 2003 as a special opportunity to set the essential streamlined policy coordination instruments within a fresh three-year perspective, the Council decided, on 22 July, to alter the European employment guidelines approach (Table II), to provide a basis for a simplified and more effective European employment strategy. In support of the three objectives of full employment, labour quality and productivity, and the cohesion associated with an integration-friendly labour market, 10 new guidelines were adopted, with a view to: devising active and preventive measures for the unemployed and inactive; creating jobs and fostering entrepreneurship; addressing change and promoting adaptability in work; investing in human capital and strategies for lifelong learning; increasing labour supply and promoting active ageing; ensuring gender equality; promoting the integration of and combating discrimination against people at a disadvantage on the labour market; making work more financially attractive through incentives; transforming undeclared work into regular employment; and tackling regional employment disparities. Also on 22 July, the Council adopted specific recommendations for each Member State (Table II). Ahead of the guidelines, the Commission had, on 14 January <sup>(5)</sup>, launched a broad consultation exercise on the future of the employment strategy. The European Economic and Social Committee and the Committee of the Regions came out in favour of this initiative, on 26 March <sup>(6)</sup> and 10 April <sup>(7)</sup> respectively.

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<sup>(1)</sup> COM(2003) 5; Bull. 1/2-2003, point 1.1.3.

<sup>(2)</sup> OJ C 175, 24.7.2003; Bull. 7/8-2003, point 1.3.113.

<sup>(3)</sup> [http://europa.eu.int/comm/employment\\_social/employment\\_strategy/pub\\_empl\\_services\\_en.htm](http://europa.eu.int/comm/employment_social/employment_strategy/pub_empl_services_en.htm).

<sup>(4)</sup> Bull. 3-2003, point I.6.

<sup>(5)</sup> COM(2003) 6; Bull. 1/2-2003, point 1.3.43.

<sup>(6)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.3.29.

<sup>(7)</sup> OJ C 44, 10.10.2003; Bull. 4-2003, point 1.3.11.

On 6 March <sup>(1)</sup>, the Council and the Commission adopted a joint employment report 2002, taking stock of employment performance in 2002 and underscoring the re-directing of the strategy towards the objective of increasing and improving jobs in a more inclusive society. On 12 February <sup>(2)</sup>, the European Parliament stressed how important it was for the Member States to boost the labour market presence of population categories currently underemployed. Emphasising the importance of maintaining an appropriate level of employment in rural areas, the Council called, on 22 July <sup>(3)</sup>, for account to be taken of the special characteristics of the sector and for flexible management approaches. On 26 November <sup>(4)</sup>, the Commission looked at the state of play in the Member States as regards boosting the quality of employment.

151. *Employment task force* <sup>(5)</sup>. In response to a call from the European Council of 20 and 21 March <sup>(6)</sup>, the Commission set up a European employment task force, chaired by Mr Kok and charged with examining the difficulties facing employment policies and identifying practical reform measures likely to have the most direct and most immediate effect on the ability of Member States to implement the revised European employment strategy. The task force delivered its report on creating more jobs in Europe to the Commission in November. The European Council of 12 December <sup>(7)</sup> welcomed this report, which underlined the need to accelerate the implementation of the necessary reforms in the employment field. Moreover, the European Council endorsed the four priorities identified by the task force, aimed at: increasing the adaptability of workers and enterprises; attracting more people to the labour market; investing more efficiently in human capital; and ensuring effective implementation of reforms through better governance.

152. *Employment policies in the future Member States*. Basing its conclusions on the joint analysis of each candidate country's employment policies <sup>(8)</sup>, the Commission identified, on 30 January <sup>(9)</sup>, the main areas of action for public policy and the social partners in the countries affected by enlargement. On 23 September <sup>(10)</sup>, the European Parliament gave its views on this assessment. On 6 November <sup>(11)</sup>, the Commission presented a new report on the progress made in implementing the joint assessment papers on employment policies in the acceding countries.

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<sup>(1)</sup> COM(2002) 621; Bull. 3-2003, point 1.3.26.

<sup>(2)</sup> Bull. 1/2-2003, point 1.1.5.

<sup>(3)</sup> O J C 186, 6.8.2003; Bull. 7/8-2003, point 1.3.23.

<sup>(4)</sup> COM(2003) 728; Bull. 11-2003, point 1.3.20.

<sup>(5)</sup> [http://europa.eu.int/comm/employment\\_social/employment\\_strategy/task\\_en.htm](http://europa.eu.int/comm/employment_social/employment_strategy/task_en.htm).

<sup>(6)</sup> Bull. 3-2003, point 1.27.

<sup>(7)</sup> Bull. 12-2003, point 1.7.

<sup>(8)</sup> 2002 General Report, point 705.

<sup>(9)</sup> COM(2003) 37; Bull. 1/2-2003, point 1.3.44.

<sup>(10)</sup> Bull. 9-2003, point 1.3.11.

<sup>(11)</sup> COM(2003) 663; Bull. 11-2003, point 1.3.19.

153. *Local action for employment* <sup>(1)</sup>. On 7 March <sup>(2)</sup>, the Council adopted conclusions on Special Report No 4/2002 of the Court of Auditors <sup>(3)</sup> on local employment action.

154. *Undeclared work*. On 20 October <sup>(4)</sup>, the Council adopted a resolution on combating undeclared work, in which it called on the Member States to work together for this purpose and laid down guidelines for preventive measures and sanctions.

## Social protection and social security <sup>(5)</sup>

155. *Lisbon strategy follow-up* <sup>(6)</sup>. On 27 May <sup>(7)</sup>, the Commission looked at ways of strengthening the social dimension of the Lisbon strategy <sup>(6)</sup> and formulated certain proposals for simplifying and streamlining the open method of coordination, entailing the definition of common objectives structured around three pillars (social inclusion, pensions and long-term healthcare), the production of a joint annual report on social protection, the development of agreed indicators and progressive implementation of this streamlined approach according to a timetable up to 2009. The European Economic and Social Committee backed the Commission's approach on 29 October <sup>(8)</sup>. In conclusions adopted on 1 December, the Council endorsed the Social Protection Committee's outlook in terms of strengthening the social dimension of the Lisbon strategy. On 30 December <sup>(9)</sup>, the Commission proposed bringing in effective incentives in social protection systems to encourage people to work, as a way of tackling demographic ageing and combating exclusion. Institutionalisation of the open method of coordination within the draft Constitutional Treaty is dealt with in Section 5 ('Governance') of Chapter I (→ points 25 and 26).

156. *Coordination of social security systems*. On 14 May, the Council adopted Regulation (EC) No 859/2003, which extends the provisions of Regulation (EEC) No 1408/71 on the application of social security schemes for migrant workers to the nationals of third countries not covered by this scheme on the grounds of their nationality (Table II). In addition, the Commission proposed, on 31 July, clarifying the provisions of Regulation (EEC) No 1408/71 and the implementing provisions of Regulation (EEC) No 574/72 with a view to incorporating recent developments in the case-law of the Court of Justice of the European Communities and changes in national laws (Table I).

<sup>(1)</sup> [http://europa.eu.int/comm/employment\\_social/local\\_employment/index\\_en.htm](http://europa.eu.int/comm/employment_social/local_employment/index_en.htm).

<sup>(2)</sup> Bull. 3-2003, point 1.3.28.

<sup>(3)</sup> OJ C 263, 29.10.2002; 2002 General Report, point 1104.

<sup>(4)</sup> OJ C 260, 29.10.2003; Bull. 10-2003, point 1.3.21.

<sup>(5)</sup> [http://europa.eu.int/comm/employment\\_social/soc-prot/index\\_en.htm](http://europa.eu.int/comm/employment_social/soc-prot/index_en.htm).

<sup>(6)</sup> 2000 General Report, point 1145.

<sup>(7)</sup> COM(2003) 261; Bull. 5-2003, point 1.3.13.

<sup>(8)</sup> Bull. 10-2003, point 1.3.25.

<sup>(9)</sup> COM(2003) 842; Bull. 12-2003, point 1.3.26.

157. *European health insurance card.* In compliance with the wishes expressed by the Barcelona European Council <sup>(1)</sup>, the Commission presented, on 17 February <sup>(2)</sup>, a timetable for the creation of a European health insurance card, designed to replace the forms currently needed for health treatment during a temporary stay in a Member State, and to facilitate the movement of citizens throughout the European Union. On 18 June <sup>(3)</sup>, the European Economic and Social Committee gave its opinion on the introduction of this card. On the same day, the Administrative Commission on Social Security for Migrant Workers took the decisions <sup>(4)</sup> necessary for the replacement of form E 111 by the card. To facilitate the replacement of all the forms by the European card, the Commission proposed, on 27 June, that the rights of all categories of insured persons temporarily staying in a Member State other than the competent State be brought into line and that the procedures required of patients needing healthcare in the Member State of stay be simplified (Table I).

158. *Social Protection Committee.* On 24 June, the Commission proposed that the Social Protection Committee be given a new remit in terms of tasks, preparation of reports and gender balance, in line with the new Article 144 of the Treaty of Nice (Table II).

159. *Pensions* <sup>(5)</sup>. On 7 March <sup>(6)</sup>, further to a draft drawn up by the Commission in 2002 <sup>(7)</sup>, the Council approved a joint report on adequate and sustainable pensions, in which the Member States were urged to pursue ongoing reforms with a view to creating an appropriate and sustainable pension system. The European Council of 20 and 21 March <sup>(8)</sup> repeated this message. On 24 September <sup>(9)</sup>, the European Parliament delivered its opinion on this report. The Council meanwhile put forward some recommendations, on 20 October <sup>(10)</sup>, for developing a properly coordinated strategy.

160. *Healthcare for the elderly.* On 7 March <sup>(11)</sup>, the Council approved a joint report drawn up by the Commission, setting out a prospective analysis of national strategies on care for the elderly <sup>(12)</sup>. Before that, on 15 January <sup>(13)</sup>, the European Parliament had welcomed the guidelines laid down by the Commission.

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<sup>(1)</sup> 2002 General Report, point 1085.

<sup>(2)</sup> COM(2003) 73; Bull. 1/2-2003, point 1.3.47.

<sup>(3)</sup> OJ C 220, 16.9.2003; Bull. 6-2003, point 1.3.20.

<sup>(4)</sup> OJ L 276, 27.10.2003.

<sup>(5)</sup> [http://europa.eu.int/comm/employment\\_social/soc-prot/pensions/index\\_en.htm](http://europa.eu.int/comm/employment_social/soc-prot/pensions/index_en.htm).

<sup>(6)</sup> Bull. 3-2003, point 1.3.30.

<sup>(7)</sup> COM(2002) 737; 2002 General Report, point 118.

<sup>(8)</sup> Bull. 3-2003, point 1.31.

<sup>(9)</sup> Bull. 9-2003, point 1.3.13.

<sup>(10)</sup> OJ C 260, 29.10.2003; Bull. 10-2003, point 1.3.23.

<sup>(11)</sup> Bull. 3-2003, point 1.3.31.

<sup>(12)</sup> COM(2002) 774; Bull. 1/2-2003, point 1.3.45.

<sup>(13)</sup> Bull. 1/2-2003, point 1.3.46.

## Measures to promote social inclusion

161. *Social inclusion* <sup>(1)</sup>. In a communication on this subject adopted on 27 May, the Commission made the point that social inclusion ought to be considered as one pillar of the process geared to streamlining coordination in the field of social protection (→ points 155 to 158). On 6 February <sup>(2)</sup>, the Council called on the social partners to identify possible partnership mechanisms and approaches for specific activities concerned with social inclusion. The European Council of 20 and 21 March <sup>(3)</sup> spelt out the Union's commitment to promoting a high level of social cohesion based on the principles of solidarity and social inclusion. Following the submission, by all the Member States, of their second national action plans for social inclusion (2003–05), the Commission examined and assessed those plans and adopted, on 12 December, a communication presenting a draft joint report on social inclusion, poverty and social exclusion <sup>(4)</sup>. The joint inclusion memoranda (JIM) drawn up by the Commission with the 10 acceding countries, identifying the key issues and challenges in the fight against exclusion, were signed on 18 December.

## Combating discrimination

162. *Integration of people with disabilities* <sup>(5)</sup>. On 24 January <sup>(6)</sup>, the Commission presented the guiding principles it wanted to see included in a United Nations convention for promoting and protecting the rights and dignity of people with disabilities. On 26 March <sup>(7)</sup>, the European Economic and Social Committee endorsed this approach. For its part, the European Parliament called, on 3 September <sup>(8)</sup>, for full protection of the rights of people with disabilities. In two resolutions dated 5 and 6 May <sup>(9)</sup>, the Council underlined the need to improve access for people with disabilities to cultural infrastructure and activities and to the media, and to promote their integration in society by way of teaching and training systems geared to their needs. Moreover, on 3 June <sup>(10)</sup> and 15 July <sup>(11)</sup> respectively, the Council emphasised the need to promote employment and social integration for people with disabilities, and called on the social partners to involve them at all appropriate levels of the social dialogue. Building on the momentum created by the European Year of People with Disabilities 2003, the Commission presented, on 30 October <sup>(12)</sup>, a European action plan for equal opportunities, setting out a sustainable and operational approach to disability issues in the enlarged Europe, through the establishment of a reference frame-

<sup>(1)</sup> [http://europa.eu.int/comm/employment\\_social/soc-prot/soc-incl/index\\_en.htm](http://europa.eu.int/comm/employment_social/soc-prot/soc-incl/index_en.htm).

<sup>(2)</sup> OJ C 39, 18.2.2003; Bull. 1/2-2003, point 1.3.48.

<sup>(3)</sup> Bull. 3-2003, point I.31.

<sup>(4)</sup> COM(2003) 773; Bull. 12-2003, point 1.3.27.

<sup>(5)</sup> [http://europa.eu.int/comm/employment\\_social/disability/index\\_en.html](http://europa.eu.int/comm/employment_social/disability/index_en.html).

<sup>(6)</sup> COM(2003) 16; Bull. 1/2-2003, point 1.3.49.

<sup>(7)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.3.32.

<sup>(8)</sup> Bull. 9-2003, point 1.3.14.

<sup>(9)</sup> OJ C 134, 7.6.2003; Bull. 5-2003, points 1.3.15 and 1.3.16.

<sup>(10)</sup> Bull. 6-2003, point 1.3.21.

<sup>(11)</sup> OJ C 175, 24.7.2003; Bull. 7/8-2003, point 1.3.25.

<sup>(12)</sup> COM(2003) 650; Bull. 10-2003, point 1.3.26.

work for policies at national level while taking account of the rights of people with disabilities in all relevant EU policies, such as employment, education and training, new technologies and accessibility to the public buildings environment. At its meeting on 1 and 2 December <sup>(1)</sup>, the Council welcomed the efforts made to promote equal opportunities for people with disabilities during the European year dedicated to this purpose.

## Free movement of workers <sup>(2)</sup>

163. *European job mobility portal* <sup>(3)</sup>. In accordance with the wishes of the Barcelona European Council <sup>(4)</sup>, and building upon the existing EURES base, the Commission opened this portal on 19 September in tandem with its information campaign on mobility forming part of the action plan for skills and mobility <sup>(5)</sup>. The process of EURES reform <sup>(6)</sup> moved on with the adoption of the EURES Charter in April <sup>(7)</sup>, while the guidelines for the 2004–07 period were adopted in July.

## Labour law and industrial relations

164. *Organisation of working time*. On 4 November, the European Parliament and the Council adopted Directive 2003/88/EC codifying Directive 93/104/EC concerning certain aspects of the organisation of working time (Table I). On 30 December <sup>(8)</sup>, the Commission adopted a communication concerning the re-examination of specific provisions of Directive 93/104/EC, which lays down minimum requirements concerning certain aspects of the organisation of working time. Matters relating to driving time, breaks and rest periods are covered in Section 6 ('Transport') of Chapter V (→ points 673 and 676).

165. *Employee financial participation*. On 5 June <sup>(9)</sup> and 26 February <sup>(10)</sup> respectively, the European Parliament and the European Economic and Social Committee endorsed the guidelines formulated by the Commission in 2002 for the development and promotion of employee financial participation <sup>(11)</sup>, and spelt out the essential principles to enable such a model to work.

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<sup>(1)</sup> Bull. 12-2003, point 1.3.28.

<sup>(2)</sup> [http://europa.eu.int/comm/employment\\_social/free\\_movement/index\\_en.htm](http://europa.eu.int/comm/employment_social/free_movement/index_en.htm).

<sup>(3)</sup> <http://europa.eu.int/eures/index.jsp>.

<sup>(4)</sup> 2002 General Report, point 1085.

<sup>(5)</sup> COM(2002) 72 final.

<sup>(6)</sup> Decision 2003/8/EC (OJ L 5, 10.1.2003).

<sup>(7)</sup> OJ C 106, 3.5.2003.

<sup>(8)</sup> COM(2003) 843; Bull. 12-2003, point 1.3.29.

<sup>(9)</sup> Bull. 6-2003, point 1.3.23.

<sup>(10)</sup> OJ C 95, 23.4.2003; Bull. 1/2-2003, point 1.3.52.

<sup>(11)</sup> COM(2002) 364; 2002 General Report, point 127.

166. *Parental leave.* On 19 June <sup>(1)</sup>, the Commission adopted a report on the national application of the framework agreement on parental leave concluded by the social partners in 1995 <sup>(2)</sup>.

167. *Corporate social responsibility (CSR).* On 6 February <sup>(3)</sup> and 13 May <sup>(4)</sup> respectively, the Council and the European Parliament welcomed the 2002 guidelines on the European strategy for CSR <sup>(5)</sup>.

168. *European works councils.* In an opinion delivered on 24 September <sup>(6)</sup>, the European Economic and Social Committee examined the application of Directive 94/45/EC <sup>(7)</sup> on European works councils, with a view to revising this legislation.

### **Health and safety at work <sup>(8)</sup>**

169. *Health and safety risks.* On 6 February, the European Parliament and the Council adopted Directive 2003/10/EC laying down minimum health and safety requirements concerning the risks to workers exposed to noise (Table I). Legislative work on the exposure of workers to electromagnetic fields and waves was carried on. In respect of the risks associated with exposure to asbestos at work, they adopted, on 27 March, Directive 2003/18/EC, which lays down a single exposure limit value and brings the sea and air transport sectors within the scope of the protective provisions (Table I). For its part, the Council recommended, on 18 February, that the Member States promote all the necessary measures aimed at preventing the risk of occupational accidents or diseases to which self-employed workers are exposed (Table II). On 22 July, moreover, the Council adopted a decision setting up an advisory committee for safety and health at work, thus merging the existing two advisory committees (Table II). As part of the application of the minimum safety and health requirements for workers exposed to the risk of explosive atmospheres, the Commission drew up, on 25 August <sup>(9)</sup>, a non-binding guide to good practice to help the Member States formulate their national policies.

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<sup>(1)</sup> COM(2003) 358; Bull. 6-2003, point 1.3.17.

<sup>(2)</sup> Directive 96/34/EC (OJ L 145, 19.6.1996; 1996 General Report, point 562), as amended by Directive 97/75/EC (OJ L 10, 16.1.1998; 1997 General Report, point 169).

<sup>(3)</sup> OJ C 39, 18.2.2003; Bull. 1/2-2003, point 1.3.51.

<sup>(4)</sup> Bull. 5-2003, point 1.3.17.

<sup>(5)</sup> COM(2002) 347; 2002 General Report, point 129.

<sup>(6)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.16.

<sup>(7)</sup> OJ L 254, 30.9.1994; 1994 General Report, point 556.

<sup>(8)</sup> [http://europa.eu.int/comm/employment\\_social/health\\_safety/index\\_en.htm](http://europa.eu.int/comm/employment_social/health_safety/index_en.htm).

<sup>(9)</sup> COM(2003) 515; Bull. 7/8-2003, point 1.3.29.

## **Social dialogue <sup>(1)</sup>**

170. *Tripartite Social Summit*. Giving a settled format to concertation between the Council, the Commission and the social partners on economic and social questions, the informal practice of a Tripartite Social Summit for Growth and Employment was institutionalised on 6 March by Council Decision 2003/174/EC (Table II). The first meeting under these summit arrangements was held on 20 March <sup>(2)</sup>, just before the spring session of the European Council in Brussels. The summit took the form of an exchange of views on how to implement the Lisbon strategy and on the contribution the social partners could make to help achieve the strategy's objectives. On 11 December, on the eve of the European Council, an extraordinary meeting of the Tripartite Social Summit provided an opportunity for the Council Presidency, the Commission and the social partners to discuss the existing economic and social challenges, and their impact on growth and employment.

## **Structural operations**

171. *European Social Fund (ESF)* <sup>(3)</sup>. European Social Fund questions are covered in Section 10 ('Economic and social cohesion') of this chapter (→ point 420).

## **European Foundation for the Improvement of Living and Working Conditions <sup>(4)</sup>**

172. In 2003, the Foundation pressed on with the implementation of its four-year (2001–04) programme 'Analysing and anticipating change to support socioeconomic progress'. Within the three main fields of activity (industrial relations, working conditions and living conditions), it focused on five horizontal themes: promoting better employment; enhancing equal opportunities for women and men; managing diversity; supporting social inclusion; and examining the changing use of time. It also continued its activities relating to enlargement and the integration of the new Member States within the evaluation instruments. The scope of the European Industrial Relations Observatory was extended during the year, while the Monitoring Centre on Change improved its capacity to provide information and instruments for anticipating and managing change and its effects.

## **European Agency for Safety and Health at Work <sup>(5)</sup>**

173. In 2003, the Agency continued to assist the Commission with the implementation of the Community strategy on health and safety at work (2002–06) <sup>(6)</sup>. Besides organising

<sup>(1)</sup> [http://europa.eu.int/comm/employment\\_social/soc-dial/social/index\\_en.htm](http://europa.eu.int/comm/employment_social/soc-dial/social/index_en.htm).

<sup>(2)</sup> Bull. 3-2003, point 1.3.23.

<sup>(3)</sup> [http://europa.eu.int/comm/employment\\_social/esf2000/index-en.htm](http://europa.eu.int/comm/employment_social/esf2000/index-en.htm).

<sup>(4)</sup> <http://www.eurofound.eu.int/>.

<sup>(5)</sup> <http://europe.osha.eu.int/>.

<sup>(6)</sup> COM(2002) 118; 2002 General Report, point 131.

a campaign to raise awareness of the risks of working with dangerous substances, it took a close look at two high-risk sectors covered by the Community strategy: healthcare and fishing. The Agency published the results of its first funding scheme aimed at promoting good safety and health practices in small and medium-sized enterprises. It also gave support to the European Year of People with Disabilities and, with the aid of Phare funding, continued its efforts to integrate the acceding countries into its information network.

## **European Monitoring Centre on Racism and Xenophobia <sup>(1)</sup>**

174. *Activities of the Centre.* In 2003, the Monitoring Centre made headway with the collection, recording and analysis of information and data from all the Member States on the phenomena of racism, xenophobia and anti-Semitism. It also organised, in cooperation with the Commission, three round tables on the subjects of anti-Semitism, Islamophobia and intercultural dialogue in the Union. On 5 August, the Commission adopted a communication on the activities of the Centre, together with a proposal for recasting the regulation on which the Centre is founded (Table II).

## **International cooperation <sup>(2)</sup>**

175. *Core labour standards.* In conclusions adopted on 21 July <sup>(3)</sup>, the Council set out its views on the Commission's communication of 2001 <sup>(4)</sup> aimed at promoting core labour standards and achieving a better balance in the overall system of social governance in the context of globalisation, and suggested some ways of developing the strategy.

176. *G8 'labour and employment'.* The Ministers for Labour and Employment from the eight most industrialised countries (→ points 923 et seq.), along with Mrs Diamantopoulou, Member of the Commission, and representatives of the International Labour Organisation and the Organisation for Economic Cooperation and Development, met in Stuttgart (Germany) from 14 to 16 December. Their discussions focused on sustainable growth and employment, the effectiveness of the labour market in relation to the requirements of flexibility and security, and international cooperation on employment policy.

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(1) <http://www.eumc.eu.int/eumc/index.php>.

(2) [http://europa.eu.int/comm/employment\\_social/international\\_cooperation/index\\_en.htm](http://europa.eu.int/comm/employment_social/international_cooperation/index_en.htm).

(3) Bull. 7/8-2003, point 1.6.45.

(4) COM(2001) 416; 2001 General Report, point 153.

## Section 4

# Equal opportunities <sup>(1)</sup>

177. *Equal opportunities report.* On 5 March <sup>(2)</sup>, the Commission adopted its seventh annual report on equal opportunities for women and men in the European Union, placing the stress on the implementation of gender equality legislation in the candidate countries.

178. *Programmes.* As part of its drive to implement the framework strategy on gender equality <sup>(3)</sup>, the Commission adopted, on 3 February, its third annual programme <sup>(4)</sup>, in which it set out the three priorities for 2003: continuing the impact analysis work; collecting gender-specific data and statistics; and seeking a gender balance in the Commission's various committees and groups of experts. Under the new financial regulation <sup>(5)</sup>, it also proposed, on 27 May, a Community action programme for the promotion of organisations active at European level in the field of equality between women and men (Table I) aimed at establishing a framework for awarding operating grants to organisations which promote male–female equality.

179. *Equal treatment.* On 5 November, the Commission put forward a proposal designed to ensure equal treatment for women and men in the access to and supply of goods and services (Table II). The proposal for a directive is based on Article 13 of the EC Treaty and explicitly covers gender-based discrimination with regard to insurance premiums and benefits for which use is frequently made of gender-based actuarial factors.

180. *Gender mainstreaming.* On 13 March <sup>(6)</sup>, the European Parliament came out in favour of an action plan for gender mainstreaming <sup>(7)</sup> within Parliament itself. On 3 July <sup>(8)</sup>, it emphasised the importance of 'gender budgeting' with a view to integrating the gender dimension into the budgetary procedure. On 6 November <sup>(9)</sup>, Parliament asked the current and future Member States to strive to ensure balanced representation of women and men with an eye to the 2004 European elections. On the same day <sup>(10)</sup>, it gave its views on the representation of young people in the new information society. On 3 July <sup>(11)</sup>, it called on the Member States to pay special attention to women in rural areas, in the context

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/employment\\_social/equ\\_opp/index\\_en.htm](http://europa.eu.int/comm/employment_social/equ_opp/index_en.htm)).

<sup>(2)</sup> COM(2003) 98; Bull. 3-2003, point 1.3.36. Previous report: COM(2002) 258; 2002 General Report, point 141.

<sup>(3)</sup> 2000 General Report, point 129.

<sup>(4)</sup> COM(2003) 47; Bull. 1/2-2003, point 1.3.56. Previous report: COM(2001) 773; 2001 General Report, point 155.

<sup>(5)</sup> Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002; 2002 General Report, point 1048).

<sup>(6)</sup> Bull. 3-2003, point 1.3.37.

<sup>(7)</sup> [http://europa.eu.int/comm/employment\\_social/equ\\_opp/gms\\_en.html](http://europa.eu.int/comm/employment_social/equ_opp/gms_en.html).

<sup>(8)</sup> Bull. 7/8-2003, point 1.3.30.

<sup>(9)</sup> Bull. 11-2003, point 1.3.24.

<sup>(10)</sup> Bull. 11-2003, point 1.3.25.

<sup>(11)</sup> Bull. 7/8-2003, point 1.3.31.

of the mid-term review of the common agricultural policy (→ point 435). On 13 March <sup>(1)</sup>, Parliament also advocated the best possible integration of the equal opportunities objective into the way the Structural Funds are used. On 2 July <sup>(2)</sup>, the Committee of the Regions delivered its opinion on the implementation of gender mainstreaming in the Structural Fund programming documents 2000–06. For its part, the Council delivered an opinion, on 15 July, on integrating the equal opportunities element in the fields of education and training, work and social cohesion (→ points 149 and 150). On 30 July, the Commission proposed setting out a legislative framework for promoting gender equality in development cooperation (→ point 825). Additionally, on 20 October, the Council pointed to the need for initiatives to combat trafficking in human beings, particularly as regards women (→ point 537). On 19 November, the European Parliament adopted a resolution on respect for women’s rights and the inclusion of this issue in the European Union’s external relations (→ points 91 et seq.). At its meeting held on 1 and 2 December <sup>(3)</sup>, the Council gave its opinion on the follow-up to the Beijing platform for action <sup>(4)</sup> and called for greater female representation in decision-making in the public and private sectors.

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<sup>(1)</sup> Bull. 3-2003, point 1.3.38.

<sup>(2)</sup> OJ C 256, 24.10.2003; Bull.7/8-2003, point 1.3.32.

<sup>(3)</sup> Bull. 12-2003, point 1.3.31.

<sup>(4)</sup> 1995 General Report, point 627.

## Section 5

# Internal market <sup>(1)</sup>

## Overview

181. Encouraged by the European Council in this year of the 10th anniversary of the 'single market', the Commission set out a series of priorities as part of the internal market strategy for the next three years, with a particular view to achieving full transposition by the Member States of legislation which has already been adopted at EU level. In the area of services, considerable progress was made in implementing the action plan for financial services, while in a Green Paper the Commission recommended a substantial review of its policies relating to services of general interest. With regard to taxation, the Council definitively adopted the legislative package which had been under discussion for several years, thus paving the way for more effective combating of harmful practices and fewer distortions in the internal market, primarily with regard to the taxation of savings. In the enterprise field, the Commission drew up an action plan for modernising company law, while the Council adopted a regulation on European cooperative societies which, following 12 years of preparation, complements the legislation on European companies adopted in 2001. Significant progress was also made regarding accounting regulations, particularly with regard to better integration of international accounting standards. Lastly, significant progress was also made in simplifying the legislation on public procurement.

## General strategy <sup>(2)</sup>

182. *Legislative implementation.* The European Council of 20 and 21 March <sup>(3)</sup> asked Member States to apply effectively the legislation on the internal market previously adopted at EU level and called on them to step up efforts to achieve the objectives regarding its transposition set in Stockholm <sup>(4)</sup> and Barcelona <sup>(5)</sup>. This requirement, which the European Parliament had emphasised in a resolution of 13 February <sup>(6)</sup>, was also one of the key points in the Commission communication on its strategy for the internal market (→ point 183). The European Council of 16 and 17 October <sup>(7)</sup> asked the Commission to come up with the new proposals needed to complete the internal market and exploit its potential to the full, stimulate entrepreneurship and create a true internal market for services.

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/internal\\_market/en/index.htm](http://europa.eu.int/comm/internal_market/en/index.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/internal\\_market/en/update/strategy/index.htm](http://europa.eu.int/comm/internal_market/en/update/strategy/index.htm).

<sup>(3)</sup> Bull. 3-2003, point I.12.

<sup>(4)</sup> Bull. 3-2001, point I.10; 2001 General Report, point 161.

<sup>(5)</sup> Bull. 3-2002, point I.13 and I.14; 2002 General Report, point 145.

<sup>(6)</sup> Bull. 1/2-2003, point 1.3.58.

<sup>(7)</sup> Bull. 10-2003, point I.10.

183. *Internal market strategy.* In a communication of 7 May <sup>(1)</sup>, the Commission defined 10 priorities on which the EU should focus over the next three years in order to gain as much as possible from the internal market in terms of competitiveness, growth and employment, and to meet the challenges posed by enlargement, an ageing population and the EU's goal of becoming the world's most competitive economy by 2010. On 16 July these priorities, which include in particular the integration of services markets, were favourably received by the European Economic and Social Committee, which nonetheless emphasised the need to also pay special attention to job creation and consumer policy <sup>(2)</sup>. Previously, on the basis of the corresponding communication the Commission had presented in 2002 <sup>(3)</sup>, the Committee of the Regions had set out its position on the internal market strategy for 2003–06 in an own-initiative opinion of 12 February <sup>(4)</sup>. For its part, in its conclusions of 22 September <sup>(5)</sup> the Council welcomed the benefits that the internal market had made possible over the last 10 years, though it was aware of the barriers that remained to be overcome. It also stated that, although the Commission continued to play its role as guardian of the Treaties, the Member States should bear their share of responsibility for the functioning of the internal market.

## Free movement of goods <sup>(6)</sup>

### Implementation of Articles 28 to 30 of the EC Treaty

184. *Statistics.* The Commission continued monitoring compliance with Articles 28, 29 and 30 of the EC Treaty concerning the elimination of quantitative import and export restrictions between Member States and measures with equivalent effect. There were 302 cases still under examination as of 31 December, and 80 new complaints were received in 2003.

185. *Interpretative rules.* On 28 October <sup>(7)</sup>, the Commission published an interpretative communication clarifying the principle of mutual recognition with a view to improving its operation. In particular, it explains the rights of economic operators and the Member States in the many sectors that have not yet been harmonised. On 30 December <sup>(8)</sup>, it adopted a communication updating a communication dating back to 1982 <sup>(9)</sup> aimed at providing guidelines concerning the practical application of the rulings of the Court of Justice to national measures relating to parallel imports of pharmaceutical products from one

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<sup>(1)</sup> COM(2003) 238; Bull. 5-2003, point 1.3.19.

<sup>(2)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.3.34.

<sup>(3)</sup> COM(2002) 171; 2002 General Report, point 146.

<sup>(4)</sup> OJ C 128, 29.5.2003; Bull. 1/2-2003, point 1.3.57.

<sup>(5)</sup> Bull. 9-2003, point 1.3.18.

<sup>(6)</sup> [http://europa.eu.int/comm/internal\\_market/en/goods/index.htm](http://europa.eu.int/comm/internal_market/en/goods/index.htm).

<sup>(7)</sup> OJ C 265, 4.11.2003.

<sup>(8)</sup> COM(2003) 839; Bull. 12-2003, point 1.3.34.

<sup>(9)</sup> OJ C 115, 6.5.1982.

Member State to another where marketing authorisations have already been granted in the Member State of destination.

### Technical aspects

186. Information on the harmonisation of certain technical legislation regarding specific products or equipment is dealt with in the corresponding thematic sections, and in particular in Section 7 ('Enterprise policy') of this chapter (→ points 285 et seq.).

### Veterinary and plant health legislation

187. Information on veterinary and plant health legislation can be found in Section 7 ('Consumer health and protection') of Chapter V (→ points 722 et seq.).

### Special schemes

188. In a resolution of 17 December <sup>(1)</sup>, the European Parliament asked the Commission to carry out a study on an information system for cultural objects and on whether a transnational authority should be set up to handle disputes regarding the ownership of cultural objects. It also called on the current and future Member States to adopt measures to ensure that mechanisms were set up for the return of such objects.

### Customs

189. On 22 September <sup>(2)</sup> the Council authorised the Commission to negotiate amendments to the International Convention on the Harmonisation of Frontier Controls of Goods concluded in Geneva. Further information on customs can be found in Section 3 ('Common commercial policy') of Chapter VI (→ points 786 to 789).

## Free movement of persons <sup>(3)</sup>

### Freedom of movement and right of residence

190. Information on freedom of movement and right of residence can be found in Sections 1 ('Area of freedom, security and justice') and 2 ('Union citizenship') of Chapter V (→ points 501–512 and 546).

<sup>(1)</sup> Bull. 12-2003, point 1.3.33.

<sup>(2)</sup> Bull. 9-2003, point 1.3.19.

<sup>(3)</sup> [http://europa.eu.int/comm/internal\\_market/citizens/index\\_en.htm](http://europa.eu.int/comm/internal_market/citizens/index_en.htm).

## Freedom of movement for workers

191. In a communication of 25 July <sup>(1)</sup>, the Commission noted that no Member States had encountered any particular difficulties in transposing Directive 96/71/EC concerning the posting of workers in the framework of the provision of services <sup>(2)</sup>, and thus considered it premature to consider amending it. Further information on the free movement of workers can be found in Section 3 ('Employment and social policy') of this chapter (→ point 163).

## Freedom to provide services <sup>(3)</sup>

192. *General approach.* The Brussels European Council of 20 and 21 March <sup>(4)</sup> asked the Commission to complete its work on the internal market strategy for services which had been defined in 2000 <sup>(5)</sup> and noted its intention to put forward suggestions on a series of measures to remove obstacles to the cross-border provision of services. Information on the World Trade Organisation's work on trade in services can be found in Section 3 ('Common commercial policy') of Chapter VI (→ point 781).

## Financial services <sup>(6)</sup>

193. *General aspects.* The Brussels European Council of 20 and 21 March <sup>(4)</sup> asked the Council to rapidly implement the action plan for financial services <sup>(7)</sup> and called on the Council and the Commission to work towards reducing barriers to the creation of a true European market for risk capital. At its meeting in Thessaloniki on 19 and 20 June <sup>(8)</sup> it welcomed the progress made in implementing the abovementioned action plan. At its Brussels meeting of 16 and 17 October <sup>(9)</sup> it insisted that rapid progress needed to be made on all the outstanding components of the plan. By the end of 2003, 36 of the 42 original measures had been completed. The focus was now on implementation and execution.

On 18 February <sup>(10)</sup> the Council set up an internal Financial Services Committee (FSC) responsible, in particular, for carrying out a separate strategic review of the legislative process, examining sensitive questions in the short term, and providing political opinions. On 5 November the Commission proposed the adoption of a directive to adapt the structure of the committee, as applied in the transferable securities sector, to banking services, insur-

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<sup>(1)</sup> COM(2003) 458; Bull. 7/8-2003, point 1.3.45.

<sup>(2)</sup> OJ L 18, 21.1.1997; 1996 General Report, point 572.

<sup>(3)</sup> [http://europa.eu.int/comm/internal\\_market/en/services/services/index.htm](http://europa.eu.int/comm/internal_market/en/services/services/index.htm).

<sup>(4)</sup> Bull. 3-2003, point I.12.

<sup>(5)</sup> COM(2000) 888; 2000 General Report, point 156.

<sup>(6)</sup> [http://europa.eu.int/comm/internal\\_market/finances\\_en.htm](http://europa.eu.int/comm/internal_market/finances_en.htm).

<sup>(7)</sup> COM(1999) 232; 1999 General Report, point 148.

<sup>(8)</sup> Bull. 6-2003, point I.21.

<sup>(9)</sup> Bull. 10-2003, point I.10.

<sup>(10)</sup> Decision 2003/165/EC (OJ L 67, 12.3.2003; Bull. 1/2-2003, point 1.3.71).

ance and undertakings for collective investment in transferable securities, so as to enable the European Union to react much more quickly and effectively to developments in the financial sector by speeding up the legislative process at European level and by ensuring that the implementation and execution of the rules is consistent throughout the EU (Table I).

194. *Risk capital action plan (RCAP)*. On 4 November <sup>(1)</sup> the Commission presented the final report on progress made in implementing the RCAP approved at the Cardiff European Council in 1998 <sup>(2)</sup>. The report covers 2002 and, for certain areas, the first three quarters of 2003. The Commission noted that the EU regulatory framework had improved considerably in this field, that remarkable progress had been made on both political and technical levels, and that the European risk capital sector had grown since 1998. Nonetheless, it deplored the fragmentation of the Community risk capital markets, was concerned about the insufficient amount of risk capital in the member countries, and stressed that Europe lagged far behind the United States. It was therefore of the opinion that there was considerable room for progress, and reported on various areas where work over the next few years was on the Community agenda. These include taxation and research and development. The Commission also called on small European stock exchanges to officially come together so as to create a common pool of liquidity available to quick-growing European companies. On 25 November <sup>(3)</sup> the Council issued its conclusions on this report.

195. *Transferable securities*. On 4 November the European Parliament and the Council adopted Directive 2003/71/EC concerning the prospectus to be published when securities are offered to the public or admitted to trading (Table I). The new legislation aims to establish a 'single passport' for issuers of securities and to harmonise the requirements for drawing up, approving and distributing the securities prospectus in order to guarantee that investors are protected. The Commission communication of 28 May 2002 on the creation of an integrated clearing and settlement environment <sup>(4)</sup> was welcomed by the European Parliament on 15 January <sup>(5)</sup>. On 26 March the Commission proposed that Directive 2001/34/EC on the admission of securities to official stock-exchange listings and on the information to be published on those securities be amended to improve the harmonisation of transparency requirements (Table I). On 15 December <sup>(6)</sup> it proposed that the Council sign the Hague Convention on the law applicable to certain rights in respect of securities held with an intermediary.

196. *Pension institutions*. By adopting Directive 2003/41/EC on the activities and supervision of institutions for occupational retirement provision on 3 June 2003, the European Parliament and the Council intended to ensure a high level of protection for members and

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<sup>(1)</sup> COM(2003) 654; Bull. 11-2003, point 1.3.29.

<sup>(2)</sup> General Report 1998, point 263.

<sup>(3)</sup> Bull. 11-2003, point 1.3.30.

<sup>(4)</sup> COM(2002) 257; 2002 General Report, point 163.

<sup>(5)</sup> Bull. 1/2-2003, point 1.3.69.

<sup>(6)</sup> COM(2003) 783; Bull. 12-2003, point 1.3.38.

beneficiaries of pension funds by subjecting such institutions to precise rules of operation (Table I).

197. *Banks.* In a resolution of 2 September <sup>(1)</sup> the European Parliament emphasised the need to review the existing capital adequacy framework for banks' own funds <sup>(2)</sup>. It was particularly pleased that the new international agreement on such funds (Basel II) made reference to fundamental principles intended to guarantee the stability of the international financial system and to protect funds placed with banks by clients. It also came out in favour of a framework designed to promote best practices and recommended that there be better protection for small European banks.

198. *Payments.* In a communication of 2 December <sup>(3)</sup>, the Commission set out the principles which should guide a future proposal for the legal framework, and made suggestions on the nature of a legal instrument to foster the creation of a single area for retail payment services, which, despite the introduction of the euro, still does not exist. It also raised specific questions which providers of payment services and their users should be asked.

199. *Investment services.* Legislative work on new provisions regarding investment services and regulated markets continued throughout the year (Table I).

200. *Insurance.* Legislative work on the proposal for a directive on insurance against civil liability in respect of the use of motor vehicles continued throughout the year (Table I).

## Other services

201. *Services of general interest.* At its Brussels meeting of 20 and 21 March <sup>(4)</sup>, the European Council asked the Council to take the necessary measures regarding future work in order to maintain the supply and funding of these services while ensuring that they were compatible with the EU's rules on State aid and competition. In a Green Paper adopted on 21 May <sup>(5)</sup>, the Commission began a full re-examination of its policies on services of general interest, beginning with a debate on the overall role of the European Union in defining the general-interest objectives to be pursued by these services and on the way in which they are organised, financed and evaluated. Among the issues addressed was whether an overall legal framework should be established at Community level for such services, as had been envisaged at the Barcelona European Council <sup>(6)</sup>. The Committee of

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<sup>(1)</sup> Bull. 9-2003, point 1.3.21.

<sup>(2)</sup> Directive 89/299/EEC (OJ L 124, 5.5.1989; Twenty-third General Report, point 211).

<sup>(3)</sup> COM(2003) 718; Bull. 12-2003, point 1.3.41.

<sup>(4)</sup> Bull. 3-2003, point I.12.

<sup>(5)</sup> COM(2003) 270; Bull. 5-2003, point 1.3.31; Internet ([http://europa.eu.int/comm/secretariat\\_general/services\\_general\\_interest/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/services_general_interest/index_en.htm)).

<sup>(6)</sup> Bull. 3-2002, points 1.35 and I.58; 2002 General Report, point 171.

the Regions and the European Economic and Social Committee gave their opinions on the Green Paper on 19 November <sup>(1)</sup> and 11 December <sup>(2)</sup> respectively.

202. *Information society services.* On 21 November <sup>(3)</sup> the Commission issued its first report on the transposition and application of Directive 2000/31/EC on electronic commerce <sup>(4)</sup> and its impact on the internal market. It concluded that the results were satisfactory overall and put forward an action plan to ensure follow-up of the directive. Further information on information society services can be found in Section 7 ('Enterprise') of this chapter (→ point 293).

203. *Professional services.* In a resolution of 16 December <sup>(5)</sup> the European Parliament gave its opinion on the organisation of markets and competition rules for the liberal professions.

## Media <sup>(6)</sup>

204. On 24 April <sup>(7)</sup> the Commission adopted its first report on the implementation at the end of 2002 of Directive 98/84/EC on the legal protection against piracy of conditional-access services (pay TV, radio and Internet services) within the EU <sup>(8)</sup>. While it considered that it would be premature to amend the directive, it felt that several issues deserved further reflection.

## Free movement of capital <sup>(9)</sup>

205. Legislative work on preventing money laundering through customs cooperation continued in 2003 (Table I).

## Taxation <sup>(10)</sup>

206. *General approach.* Having come to an interim agreement on 21 January <sup>(11)</sup>, the Council definitively adopted on 3 June the 'tax package' of measures to combat harmful

<sup>(1)</sup> Bull. 11-2003, point 1.3.35.

<sup>(2)</sup> Bull. 12-2003, point 1.3.39.

<sup>(3)</sup> COM(2003) 702; Bull. 11-2003, point 1.3.34.

<sup>(4)</sup> OJ L 178, 17.7.2000; General Report 2000, point 165.

<sup>(5)</sup> Bull. 12-2003, point 1.3.40.

<sup>(6)</sup> [http://europa.eu.int/comm/internal\\_market/media/index\\_en.htm](http://europa.eu.int/comm/internal_market/media/index_en.htm).

<sup>(7)</sup> COM(2003) 198; Bull. 4-2003, point 1.3.14; Internet ([http://europa.eu.int/comm/internal\\_market/en/media/condac/functioning/index.htm](http://europa.eu.int/comm/internal_market/en/media/condac/functioning/index.htm)).

<sup>(8)</sup> OJ L 320, 28.11.1998; 1998 General Report, point 179.

<sup>(9)</sup> [http://europa.eu.int/comm/economy\\_finance/about/activities/activities\\_freecapitalmovement\\_en.htm](http://europa.eu.int/comm/economy_finance/about/activities/activities_freecapitalmovement_en.htm).

<sup>(10)</sup> [http://europa.eu.int/comm/taxation\\_customs/taxation/taxation.htm](http://europa.eu.int/comm/taxation_customs/taxation/taxation.htm).

<sup>(11)</sup> Bull. 1/2-2003, point 1.3.75.

tax practices and reduce distortions in the internal market, essentially with regard to the taxation of savings and company taxation (→ points 207 to 209). At its meetings in Brussels <sup>(1)</sup> and Thessaloniki <sup>(2)</sup>, the European Council welcomed the progress made at each of these two stages.

On 28 July the Commission proposed that Council Directive 77/799/EEC concerning mutual assistance by the competent authorities of the Member States in the field of direct and indirect taxation be amended, particularly to introduce new procedural elements relating to notification and simultaneous controls (Table I) in the field of direct taxation. On 7 October, with Directive 2003/93/EC, the Council extended the scope of the above directive so as to allow Member States to exchange information regarding the taxation of insurance premiums (Table II). On the same day it adopted Regulation (EC) No 1798/2003 to strengthen mutual cooperation between the tax authorities of the Member States in order to combat VAT fraud (Table II). On 18 December the Commission proposed a further amendment to the abovementioned Directive 77/799/EEC to better adapt it to the needs of the internal market with regard to excise duties, to which Directive 92/12/EEC <sup>(3)</sup> had extended the scope of mutual assistance between Member States. To this end, the Commission is putting forward proposals for a regulation and a directive (Table I).

## Direct taxation <sup>(4)</sup>

207. *Payments of interest.* On 3 June <sup>(5)</sup> the Commission adopted Directive 2003/48/EC, which is intended to ensure that savings income in the form of interest payments made in one Member State to physical persons residing in another Member State are taxed in accordance with the legislation of the latter Member States (Table III). For structural reasons, Belgium, Luxembourg and Austria were not able to implement the automatic exchange of information intended to achieve this at the same time as the other Member States. They may therefore apply a withholding tax during a transitional period instead of exchanging information. Moreover, in order to avoid differences in treatment, these Member States will not be obliged to apply the automatic system before Andorra, Liechtenstein, Monaco, San Marino and Switzerland have ensured the effective exchange of information on requests concerning payments of interest. Alongside the adoption of this new directive, the Member States declared that they would do their utmost to assist the Commission in ensuring that appropriate agreements with the five non-member countries in question providing for measures equivalent to those of the directive would be concluded in sufficient time to allow it to be applied as from 1 January 2005 <sup>(6)</sup>. Under the terms of the same declaration, the United Kingdom and the Netherlands are also to ensure the intro-

<sup>(1)</sup> Bull. 3-2003, point I.12.

<sup>(2)</sup> Bull. 6-2003, point I.21.

<sup>(3)</sup> OJ L 76, 23.3.1992; last amended by Council Directive 2000/47/EC (OJ L 193, 29.7.2000).

<sup>(4)</sup> [http://europa.eu.int/comm/taxation\\_customs/taxation/directtaxationindex\\_en.htm](http://europa.eu.int/comm/taxation_customs/taxation/directtaxationindex_en.htm).

<sup>(5)</sup> [http://europa.eu.int/comm/taxation\\_customs/taxation/information\\_notes/tax\\_saving.htm](http://europa.eu.int/comm/taxation_customs/taxation/information_notes/tax_saving.htm).

<sup>(6)</sup> Bull. 6-2003, point 1.3.37.

duction by that date of the same measures as those of the directive by certain dependant or associated territories (the Channel Islands, the Isle of Man and the relevant territories in the Caribbean).

Also on 3 June, the Council adopted Directive 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States (Table II). To achieve this, the directive lays down that all taxation in this regard in the Member States in which the payments originate is to be eliminated. For budgetary reasons, Greece, Spain and Portugal may apply transitional measures in introducing the new system. On 30 December the Commission proposed that provisions to limit the risk of fraud by avoiding double exemptions be added to Directive 2003/49/EC (Table II).

**208.** *Mergers' system and 'parent-subsidiary' system.* On 17 October, the Commission put forward a proposal aimed at updating, clarifying and broadening the scope of the directive concerning the deferral of taxation in the event of mergers, divisions and transfers of assets and exchanges of shares <sup>(1)</sup>. The proposal provides in particular for certain tax provisions applicable to European companies. On 29 July the Commission proposed that Council Directive 90/435/EEC, known as the parent-subsidiary directive, be amended to eliminate the obstacles to the proper functioning of the internal market found in the systems of taxation which apply to parent companies and subsidiaries of different Member States (Table II).

**209.** *Company taxation.* In a communication of 24 November <sup>(2)</sup>, the Commission assessed what had been achieved by the current strategy regarding company taxation. It considered that progress on the targeted initiatives was encouraging, while long-term work on 'comprehensive approaches', which some felt was progressing slowly, needed to be given new momentum through, for example, pilot projects, or even 'reinforced cooperation' between Member States. On 19 December, the Commission adopted a communication <sup>(3)</sup> aimed at providing guidelines for current and future Member States on how to ensure that their taxation systems relating to dividends received by individuals are compatible with the EC Treaty.

## Indirect taxation

**210.** *Fiscalis programme* <sup>(4)</sup>. On 12 November <sup>(5)</sup> the Commission presented a report assessing the results of the programme implemented between 1998 and 2002 <sup>(6)</sup> to improve the operation of indirect taxation systems within the internal market through more

<sup>(1)</sup> COM(2003) 613; Bull. 10-2003, point 1.3.34.

<sup>(2)</sup> COM(2003) 726; Bull. 11-2003, point 1.3.36.

<sup>(3)</sup> COM(2003) 810; Bull. 12-2003, point 1.3.46.

<sup>(4)</sup> [http://europa.eu.int/comm/taxation\\_customs/taxation/fiscalis/index\\_en.htm](http://europa.eu.int/comm/taxation_customs/taxation/fiscalis/index_en.htm).

<sup>(5)</sup> COM(2003) 678; Bull. 11-2003, point 1.3.38.

<sup>(6)</sup> Decision 888/98/EC (OJ L 126, 28.4.1998; General Report 1998, point 186).

efficient cooperation between the administrations in question. It felt that, overall, joint activities had made it possible to achieve this objective, but it nonetheless stressed the need for activities to be more complementary in the new *Fiscalis* programme for 2003–07 <sup>(1)</sup>.

211. *Excise duties.* On 16 June the European Parliament and the Council adopted Decision No 1152/2003/EC to combat fraud and to simplify the system by computerising the documents which accompany excisable products (alcohol, tobacco and mineral oils) moving between economic operators within the European Union under excise-duty suspension arrangements (Table I).

On 5 December the Council amended Directives 92/79/EEC and 92/80/EEC so as to authorise France to extend the application of lower rates of excise duty to tobacco products released for consumption in Corsica (Table II).

212. *Value-added tax (VAT)* <sup>(2)</sup>. On 10 June, in the interests of simplification and modernisation, the Commission proposed that Directive 77/388/EEC (the sixth VAT directive) be amended in two ways (Table II): to eliminate the existing possibility of tacit approval by the Council of a derogation, and to grant the Council executive powers enabling it to adopt, on the basis of a Commission proposal, measures guaranteeing the application of the common rules on VAT. On 23 July the Commission proposed another amendment to the sixth VAT directive, concerning the various reduced rates which the Member States may apply (Table II). In the absence of a Council decision on this proposal, on 16 December the Commission proposed extending for two years the experimental application of reduced rates for labour-intensive services <sup>(3)</sup>. On 20 October, it presented a review <sup>(4)</sup> of the strategic programme it adopted in 2000 to improve the VAT system <sup>(5)</sup>. In particular, it announced its intention of promoting the idea of a ‘one-stop shop’ facility enabling operators to meet all their obligations for all their activities in the EU in the Member State in which they are established. On 23 December it proposed a new amendment intended to simplify the rules governing the place of taxation for services provided (Table II). The proposal provides that, as a general rule, the place where the customer is established is the place of taxation in the case of services to taxable persons, while maintaining a number of exceptions.

213. *Travel services.* On 21 February the Commission proposed that Regulation 218/92/EEC on administrative cooperation in the field of indirect taxation be amended, so as to simplify certain aspects of the special margin scheme for travel agents (Table I).

214. *Postal services.* With a view to eliminating distortions to competition in the sector of postal services, which are more and more frequently provided by private enterprise, on

<sup>(1)</sup> Decision 2235/2002/EC (OJ L 341, 17.12.2002; General Report 2002, point 177).

<sup>(2)</sup> [http://europa.eu.int/comm/taxation\\_customs/taxation/vatindex\\_en.htm](http://europa.eu.int/comm/taxation_customs/taxation/vatindex_en.htm).

<sup>(3)</sup> COM(2003) 825; Bull. 12-2003, point 1.3.52.

<sup>(4)</sup> COM(2003) 614; Bull. 10-2003, point 1.3.38.

<sup>(5)</sup> COM(2003) 348; 2000 General Report, point 171.

5 May the Commission proposed that the services be taxed at a standard rate, while minimising the impact of this change on the prices paid by end consumers for letters and small packages and authorising the Member States to charge a lower rate for certain services (Table II).

215. *Labour-intensive services.* On 2 June <sup>(1)</sup> the Commission presented a global assessment of the experiment under Council Directive 1999/85/EC <sup>(2)</sup> which allowed Member States who wished to do so to apply reduced VAT rates to certain labour-intensive services from 1 January 2000 to 31 December 2002. In light of the experiment in nine Member States, the Commission concluded that it was impossible to conclusively identify any positive effect of such a reduction on employment or the black economy. Legislative work also continued in this area (→ point 212).

216. *Supply of gas and electricity.* With Directive 2003/92/EC of 7 October 2003, the Council amended Directive 77/388/EEC with regard to the rules on taxation concerning the place of supply of gas transported by pipeline and of electricity (Table II). Under the new provisions, which are better suited to the context of market liberalisation and the fact that this type of service is becoming increasingly international, deliveries to traders are taxable at the place where they are established, whereas those intended for final consumers are taxable at the place of consumption, normally where the customer's meter is located.

217. *Energy products.* In order to restructure the Community framework for the taxation of energy products, on 27 October the Council adopted Directive 2003/96/EC which sets the minimum rates of tax applicable to oil, coal, natural gas and electricity when these products are used as fuel for vehicles or for heating (Table II).

218. *Taxation of passenger cars.* In a resolution of 6 November <sup>(3)</sup> on the communication on the taxation of passenger cars in the European Union <sup>(4)</sup>, the European Parliament pleaded in favour of a rapid restructuring of the relevant taxes and asked the Commission to take the legislative initiatives required to achieve this.

219. *Dock dues.* On 17 December the Commission proposed that Decision 89/688/EEC concerning the dock dues in the French overseas departments be extended until 30 June 2004 and then be replaced by a system restructured to take account of the particular nature of the outermost regions concerned (Table II).

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<sup>(1)</sup> COM(2003) 309; Bull. 6-2003, point 1.3.38.

<sup>(2)</sup> OJ L 277, 28.10.1999; 1999 General Report, point 158.

<sup>(3)</sup> Bull. 11-2003, point 1.3.37.

<sup>(4)</sup> COM(2002) 431; General Report 2002, point 184.

## Company law and corporate governance <sup>(1)</sup>

220. *General approach.* On 21 May the Commission adopted a communication on modernising company law and enhancing corporate governance in the European Union <sup>(2)</sup> in the light of factors such as the growing cross-border operation of companies, the continuing integration of European capital markets, the development of information and communication technology and the forthcoming enlargement of the EU. The Commission therefore set out key policy objectives, determined whether the priority measures required were short-term, medium-term or long-term, and indicated the types of instrument to be used. On 22 September <sup>(3)</sup> the recommended action plan was welcomed by the Council, which recognised, in particular, its importance for setting up a legislative framework which was appropriate for the completion of the internal market and for increasing the competitiveness of businesses. On 10 December <sup>(4)</sup> the European Economic and Social Committee also approved the Commission's approach.

On 18 November the Commission presented a proposal for a directive on cross-border mergers of companies with share capital (Table I). The purpose of this initiative, which is part of the action plan for financial services (→ point 193) and was mooted in the above-mentioned Commission communication of 21 May, is to facilitate cross-border mergers of companies with share capital without any hindrance from the national laws governing them.

221. *European cooperative society.* The statute for a European cooperative society has been in preparation since 1991, and was finally laid down on 22 July by Council Regulation (EC) No 1435/2003 (Table II). This instrument is based on that adopted for European companies in 2001 <sup>(5)</sup>, with the necessary changes due to the specific characteristics of cooperative societies. It is intended to make it possible to set up new legal bodies to organise certain economic transactions in at least two Member States. On the same day, the Council adopted Directive 2003/72/EC supplementing this statute with regard to worker involvement (Table II).

222. *Disclosure requirements.* On 15 July the European Parliament and the Council adopted Directive 2003/58/EC amending Directive 68/151/EEC as regards disclosure requirements for certain types of companies in order to speed up public access to information on those companies and to simplify the formalities required of them (Table I). The amendments concern the use of electronic formats and linguistic diversification on a voluntary basis.

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<sup>(1)</sup> [http://europa.eu.int/comm/internal\\_market/company/en\\_index.htm](http://europa.eu.int/comm/internal_market/company/en_index.htm).

<sup>(2)</sup> COM(2003) 284; Bull. 5-2003, point 1.3.40.

<sup>(3)</sup> Bull. 9-2003, point 1.3.27.

<sup>(4)</sup> Bull. 12-2003, point 1.3.55.

<sup>(5)</sup> Regulation (EC) No 2157/2001 (OJ L 294, 10.11.2001; 2001 General Report, point 219).

223. *Takeover bids*. Legislative work on the proposal for a directive on takeover bids continued throughout the year (Table I).

## Accountancy and auditing

224. *Accountancy and accounting standards* <sup>(1)</sup>. In 2003 an important change was made to accounting regulations. Directive 2003/38/EC, adopted by the Council on 13 May <sup>(2)</sup>, amended Directive 78/660/EEC on the annual accounts of certain types of companies <sup>(3)</sup> so as to exempt small and medium-sized enterprises from various obligations in this area. The 1978 directive was again amended with the adoption, on 18 June, of Directive 2003/51/EC (Table I), in which the European Parliament and the Council provided Member States with the possibility of gradually bringing national accounting requirements closer in line with the international accounting standards (IAS) ratified in Regulation (EC) No 1606/2002 <sup>(4)</sup>. The new directive also amended Directives 83/349/EEC <sup>(5)</sup>, 86/635/EEC <sup>(6)</sup> and 91/674/EEC <sup>(7)</sup> on, respectively, consolidated accounts in general, the annual and consolidated accounts of banks and other financial institutions and those of insurance undertakings. In its conclusions of 15 July <sup>(8)</sup> the Council emphasised the importance of developing a set of high quality international accounting standards in order to make a success of the European financial reporting strategy. It also noted that the Commission intended to ensure that the European Financial Reporting Advisory Group (EFRAG) be given the means and procedures required to ensure that European concerns were taken into consideration in the standardisation process being led by the International Accounting Standards Board (IASB).

225. *Auditing* <sup>(9)</sup>. In a communication of 21 May on reinforcing the statutory audit in the EU <sup>(10)</sup>, the Commission recommended new measures to achieve, in particular, the following objectives: modernisation of the eighth directive on company law <sup>(11)</sup>, strengthening at Community level the public oversight of the audit profession, establishing the transparency of audit firms and their networks, increased independence for auditors, and examining the responsibility of the auditor. On 10 December <sup>(12)</sup> the European Economic and Social Committee also approved the Commission's approach. For its part, in a declaration of 3 June <sup>(13)</sup> the Council opposed the obligatory registration of European audit firms with

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<sup>(1)</sup> [http://europa.eu.int/comm/internal\\_market/accounting/index\\_en.htm](http://europa.eu.int/comm/internal_market/accounting/index_en.htm).

<sup>(2)</sup> OJ L 120, 15.5.2003; Bull. 5/-2003, point 1.3.36.

<sup>(3)</sup> OJ L 222, 14.8.1978; last amended by Directive 2001/65/EC (OJ L 283, 27.10.2001; 2001 General Report, point 217).

<sup>(4)</sup> OJ L 243, 11.9.2002; 2002 General Report, point 187.

<sup>(5)</sup> OJ L 193, 18.7.1983.

<sup>(6)</sup> OJ L 372, 31.12.1986.

<sup>(7)</sup> OJ L 374, 31.12.1991.

<sup>(8)</sup> Bull. 7/8-2003, point 1.3.57.

<sup>(9)</sup> [http://europa.eu.int/comm/internal\\_market/en/company/audit/index.htm](http://europa.eu.int/comm/internal_market/en/company/audit/index.htm).

<sup>(10)</sup> OJ C 236, 2.10.2003; COM(2003) 286; Bull. 5-2003, point 1.3.41.

<sup>(11)</sup> Council Directive 84/253/EEC (OJ L 126, 12.5.1984).

<sup>(12)</sup> Bull. 12-2003, point 1.3.56.

<sup>(13)</sup> Bull. 6-2003, point 1.3.47.

the United States Public Company Accounting Oversight Board (PCAOB), due to both the cost of the procedure and the level of protection for investors already provided by Community legislation.

## Intellectual and industrial property <sup>(1)</sup>

226. *System of protection.* On 30 January the Commission proposed that a directive be drawn up to achieve two objectives: firstly to harmonise the means of enforcement of intellectual property rights in the Member States, largely through effective and proportionate penalties to act as a deterrent, and secondly to establish a general framework for cooperation towards this end between the competent authorities (Table I).

227. *Community patent* <sup>(2)</sup>. On 3 March <sup>(3)</sup> the Council reached agreement on a common political approach along two main lines: the main principles and features of the jurisdictional system for the Community patent, including the creation of a unitary court for the Community patent, and the language regime and the costs of such a patent, together with the role of the national patent offices and the European Patent Office. On 23 December the Commission presented two proposals for legislation: a proposal for a Council decision giving the Court of Justice the power to rule on disputes regarding the Community patent (Table II), and a proposal for a Council decision establishing the Community Patent Court and concerning appeals before the Court of First Instance (Table II).

228. *Community trademark* <sup>(4)</sup>. On 27 October, following seven years of negotiations, the Council adopted a decision approving the accession of the Community to the 1989 Madrid Protocol on international trademarks and a regulation linking this international system with the Community trademark (Table II). The link will provide companies around the world with the possibility of protecting their trademarks in the European Union and elsewhere using a single procedure, thus reducing the costs of international protection and simplifying the administration of this protection.

On 27 November the Council reached agreement on a proposal for a regulation amending Regulation (EC) No 40/94 on the Community trademark (Table II): in particular, the consensus provided for a four-year transition period, at the end of which the system of searching through the national trademark offices would become voluntary, while searches of the register held by the Office for Harmonisation in the Internal Market would remain mandatory.

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<sup>(1)</sup> [http://europa.eu.int/comm/internal\\_market/en/intprop/index\\_all.htm](http://europa.eu.int/comm/internal_market/en/intprop/index_all.htm).

<sup>(2)</sup> [http://europa.eu.int/comm/internal\\_market/en/indprop/patent/index.htm](http://europa.eu.int/comm/internal_market/en/indprop/patent/index.htm).

<sup>(3)</sup> Bull. 3-2003, point 1.3.49.

<sup>(4)</sup> [http://europa.eu.int/comm/internal\\_market/en/indprop/tm/index.htm](http://europa.eu.int/comm/internal_market/en/indprop/tm/index.htm).

229. *Computer-implemented inventions* <sup>(1)</sup>. Legislative work on the proposal for a directive on the patentability of such inventions continued in 2003 (Table I).

230. *Rights of audiovisual performers*. In a resolution of 15 May <sup>(2)</sup> the European Parliament called on the Commission to take action to achieve the adoption of an effective World Intellectual Property Organisation (WIPO) Treaty in favour of audiovisual performers, and to inform it of developments in the protection of audiovisual performers since the WIPO Diplomatic Conference held in December 2000. It felt that the lack of such protection in many countries had a detrimental effect on the international dissemination of European works. The Commission, agreeing with Parliament and the Member States about the need for such a treaty, attended the meeting organised by WIPO on 6 and 7 June and its General Assembly on 24 September which addressed this matter.

### Data protection <sup>(3)</sup>

231. *Application of legislation*. On 15 May the Commission presented its first report <sup>(4)</sup> on the implementation of Directive 95/46/EC on the protection of individuals with regard to the processing of personal data <sup>(5)</sup>. While it considered it premature to propose any modifications to the directive at this stage, it stressed the need to work towards improving and further harmonising its application. Moreover, it set out recommendations for the Member States aimed at reducing the excessive divergences between various national legislative acts and practices. In a resolution of 13 March <sup>(6)</sup>, the European Parliament called on the Commission to examine the compatibility with Community law of the measures taken by the US authorities to gain access to data in the computerised reservation systems of airlines operating transatlantic flights. It repeated its reservations regarding such measures in a resolution of 9 October <sup>(7)</sup>, in which it also put forward new recommendations for the Commission. On 18 February <sup>(8)</sup> the Council decided to conclude an agreement with the United Kingdom extending to the Isle of Man the legal protection of databases laid down in Directive 96/9/EC <sup>(9)</sup>. On 15 May Ireland notified the Commission of its new Data Protection Act, which was promulgated on 10 April and entered into force on 1 July. On 15 October the Commission therefore decided to suspend Case C-459/01 brought before the Court of Justice of the European Communities. On 22 December <sup>(10)</sup>, pursuant to Regulation (EC) No 45/2001 <sup>(11)</sup>, the European Parliament and the Council

<sup>(1)</sup> [http://europa.eu.int/comm/internal\\_market/en/indprop/comp/index.htm](http://europa.eu.int/comm/internal_market/en/indprop/comp/index.htm).

<sup>(2)</sup> Bull. 5-2003, point 1.3.43.

<sup>(3)</sup> [http://europa.eu.int/comm/internal\\_market/privacy/index\\_en.htm](http://europa.eu.int/comm/internal_market/privacy/index_en.htm).

<sup>(4)</sup> COM(2003) 265; Bull. 5-2003, point 1.3.44.

<sup>(5)</sup> OJ L 281, 23.11.1995; 1995 General Report, point 135.

<sup>(6)</sup> Bull. 3-2003, point 1.3.50.

<sup>(7)</sup> Bull. 10-2003, point 1.3.41.

<sup>(8)</sup> OJ L 89, 5.4.2003; Bull. 1/2-2003, point 1.3.84.

<sup>(9)</sup> OJ L 77, 27.3.1996; 1996 General Report, point 142.

<sup>(10)</sup> Decision 2004/55/EC (OJ L 12, 17.1.2004; Bull. 12-2003, point 1.3.60).

<sup>(11)</sup> OJ L 8, 12.1.2001; 2001 General Report, point 183.

appointed Mr Hustinx as European Data Protection Supervisor and Mr Bayo Delgado as Assistant Supervisor.

## **Public procurement <sup>(1)</sup>**

232. *Simplification of legislation.* Work on the legislative package put forward by the Commission to simplify and modernise the public procurement directives continued throughout the year (Table I). The European Parliament and the Council came to an agreement on a joint draft in the Conciliation Committee on 2 December.

233. *Public procurement contracts awarded by the Commission.* Following a request by the Ombudsman, the Commission announced in a communication of 3 July <sup>(2)</sup> that a procedure for informing applicants and tenderers of the award of a contract before the actual contract has been signed had been put in place as part of the public procurement procedures covered by the new financial regulation applicable to the Community budget <sup>(3)</sup>. The purpose of this was to provide greater transparency with regard to the reasons for which a bid or an application had been rejected.

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<sup>(1)</sup> [http://europa.eu.int/comm/internal\\_market/en/publproc/index.htm](http://europa.eu.int/comm/internal_market/en/publproc/index.htm).

<sup>(2)</sup> COM(2003) 395; Bull. 7/8-2003, point 1.3.60.

<sup>(3)</sup> Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002; 2002 General Report, point 1048).

## Section 6

# Competition policy <sup>(1)</sup>

## Overview

234. *The Commission's work in the competition policy field in 2003 was geared to putting in place, in time for enlargement, the detailed provisions of a modernised regulatory framework for antitrust and merger control. As regards the monitoring of State aid, the Commission embarked on an in-depth review of the way in which the rules are applied in practice, in order to refocus its key role on those aid measures that are most liable to distort competition. In addition to acting in other antitrust cases, the Commission adopted a number of landmark decisions dealing with the problems raised by the behaviour of certain enterprises enjoying a dominant position. It likewise defended, in several decisions, the importance of consistent and impartial vetting of State aid at European level. For its part, the Brussels European Council of 20 and 21 March took note of the significant results obtained in modernising competition policy <sup>(2)</sup>. On 25 April, the Commission adopted the XXXIInd Report on Competition Policy <sup>(3)</sup>, which takes stock of its activity in the field in 2002. The previous report <sup>(4)</sup> was the subject of an opinion adopted by the European Economic and Social Committee on 22 January <sup>(5)</sup>.*

## Competition rules applying to businesses

### General rules <sup>(6)</sup>

235. *Modernisation of legislation.* In September, the Commission adopted the draft texts <sup>(7)</sup> that go to make up its package aimed at completing its overhaul of the application of the Community competition rules, as provided for by Council Regulation (EC) No 1/2003 of 16 December 2002 reforming the application of Articles 81 and 82 of the EC Treaty <sup>(8)</sup>. The package comprises a Commission implementing regulation and six notices:

<sup>(1)</sup> Only the most significant cases are dealt with in this section. For further details, see the *XXXIIIrd Report on Competition Policy*, to be published by the Office for Official Publications of the European Communities in mid-2004 in conjunction with this General Report. A report on the application of the competition rules in the European Union in 2003, prepared under the sole responsibility of the Directorate-General for Competition, will also be published in conjunction with the *XXXIIIrd Report*. Further information is available on the Europa server ([http://europa.eu.int/comm/competition/index\\_en.html](http://europa.eu.int/comm/competition/index_en.html)).

<sup>(2)</sup> Bull. 3-2003, point 1.3.

<sup>(3)</sup> SEC(2003) 467; Bull. 4-2003, point 1.3.18.

<sup>(4)</sup> SEC(2002) 462; 2002 General Report, point 204.

<sup>(5)</sup> OJ C 85, 8.4.2003; Bull. 1/2-2003, point 1.3.86.

<sup>(6)</sup> Detailed statistics on the application of Articles 81 and 82 of the EC Treaty will be provided in the *XXXIIIrd Report on Competition Policy*, to be published in 2004.

<sup>(7)</sup> OJ C 243, 10.10.2003.

<sup>(8)</sup> OJ L 1, 4.1.2003; 2002 General Report, point 207.

a notice on cooperation within the network of competition authorities, a notice on cooperation with national courts, guidelines on the effect on trade concept, guidelines on the application of Article 81(3) of the Treaty, a notice on guidance letters and a notice on the handling of complaints.

**236.** *Revision of the block exemption regulation for technology transfer.* In October the Commission published draft rules and guidelines on technology transfer licensing agreements <sup>(1)</sup>, given the growing importance of technology licensing, for example through patent, know-how and software copyright licensing agreements, in ensuring that innovations are widely disseminated. This initiative is aimed at clarifying the application of the competition rules in this area and maintaining the benefits that such agreements can bring in today's fast-moving economy. The Commission invited all interested parties to let it have their comments by the end of November so that the new rules could enter into force in May 2004.

**237.** *Air transport.* Following the Council's adoption of Regulation (EC) No 1/2003, the Commission proposed on 24 February that Regulation (EEC) No 3975/87 be repealed and Regulation (EEC) No 3976/87 be amended; both concern the competition rules which apply to the air transport sector (Table II). The aim is to introduce a more effective structure for applying these rules in relations with third countries.

## Permissible forms of cooperation

### Sectoral approach

**238.** *Insurance.* On 27 February the Commission adopted Regulation (EC) No 358/2003 <sup>(2)</sup> to take over from Commission Regulation (EEC) No 3932/92 <sup>(3)</sup>, which had expired. The new regulation will apply until 31 March 2010 and exempts, on certain conditions, specific categories of cooperation agreement between insurance companies, such as agreements on the setting-up and operation of groups of insurance undertakings or on the examination and recognition of security devices.

### Individual cases

**239.** *Network sharing UK.* On 30 April the Commission adopted a negative clearance/exemption decision under Article 81 of the EC Treaty (and Article 53 of the EEA Agreement) on the sharing of third-generation mobile networks in the United Kingdom <sup>(4)</sup>. According to the decision, site-sharing itself does not raise competition concerns. The Commission's investigation also showed that national roaming between licensed network

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<sup>(1)</sup> OJ C 235, 1.10.2003.

<sup>(2)</sup> OJ L 53, 28.2.2003; Bull. 1/2-2003, point 1.3.100.

<sup>(3)</sup> OJ L 398, 31.12.1992; Twenty-sixth General Report, point 198.

<sup>(4)</sup> Bull. 4-2003, point 1.3.23.

operators was beneficial to consumers in that it allowed the operators to offer better and quicker coverage, especially in less built-up and more removed areas of the UK. It also helped the launch of innovative third-generation ('3G') services. Roaming will not include the top 10 cities in the UK, but will be limited to smaller cities and rural areas. National roaming in smaller cities qualifies for an exemption from the competition rules until 31 December 2007; for the rural regions, the exemption will expire on 31 December 2008.

240. *Framework agreement between T-Mobile DE and Viag Intercom.* This decision <sup>(1)</sup>, adopted by the Commission on 16 July, was the second positive decision concerning the sharing of third-generation ('3G') mobile networks, this time between O<sub>2</sub> Germany and T-Mobile Deutschland in Germany. It confirmed that sharing sites does not in itself give rise to competition concerns and that national roaming between licensed network operators can benefit consumers. The use of roaming by the customers of O<sub>2</sub> Germany, the smallest operator in Germany, on the network of T-Mobile may also be exempted as regards urban areas, but for a shorter period. The exemption for roaming in rural areas will expire on 31 December 2008. In urban areas the exemption will start to be phased out earlier in certain cities and regions comprising about 50 % of the German population, in accordance with a strict timetable.

241. *UEFA.* By decision of 23 July the Commission exempted the joint selling arrangements of UEFA for the media rights to the Champions League <sup>(2)</sup>. The Commission considered that the decision taken by the football clubs and UEFA concerning the new joint selling rules improved the production and distribution of the UEFA Champions League within the meaning of Article 81(3) of the EC Treaty and Article 53(3) of the EEA Agreement by procuring an advantage for media operators, football clubs and viewers, since it resulted in the creation of a single selling point for the acquisition of a batch of rights involving the League as a whole and bearing a quality label. The new centralised selling rules also improved the development of the new media. Article 81(1) of the EC Treaty and Article 53(1) of the EEA Agreement were declared inapplicable from 13 May 2002 to 31 July 2009.

242. *ARA, ARGEV, ARO.* On 16 October the Commission cleared the Austrian packaging collection system, ARA <sup>(3)</sup>. The Commission gave negative clearance under Article 81 to all the agreements notified, except for the one between the ARA system and its collector/sorter partners, which qualified for an exemption under Article 81(3) of the EC Treaty. In order to ensure unrestricted access for ARA's competitors to the collection infrastructure, two obligations were attached to the exemption. The decision was aimed in particular at ensuring that the ARA system did not impose exclusivity clauses in its contractual relations with its partners or any other unjustified constraints which would prevent competitors entering the market.

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<sup>(1)</sup> Bull. 7/8-2003, point 1.3.76.

<sup>(2)</sup> Bull. 7/8-2003, point 1.3.77.

<sup>(3)</sup> Bull. 10-2003, point 1.3.46.

243. *REIMS II*. By decision of 23 October under Article 81(3) of the EC Treaty, the Commission granted 17 European postal operators a further exemption for their system of mutual remuneration for the delivery of cross-border mail in the country of destination ('REIMS II agreement')<sup>(1)</sup>. The agreement had already been exempted by the Commission in 1999<sup>(2)</sup>. The new exemption was granted for five years from the date of expiry of the previous exemption on 31 December 2001. The decision also required new entrants on the market for cross-border delivery of outgoing mail to be allowed to enjoy the same terms for the delivery of incoming cross-border mail as the parties to the REIMS II agreement.

244. *Telenor/Canal+/Canal Digital*. On 29 December the Commission adopted an exemption and partial negative clearance decision under Article 81 of the EC Treaty and Article 53 of the EEA Agreement in respect of a number of agreements concerning the distribution of premium pay-TV channels and pay-per-view channels and cooperation between Canal+ Nordic, the leading supplier of premium pay-TV channels, and Telenor/Canal Digital, the leading satellite TV distribution platform in the Nordic countries<sup>(3)</sup>. In deciding to exempt these agreements for the period between 21 June 2002 and 21 June 2007, the Commission took account of the efficiency gains and benefits to consumers resulting from the restrictive clauses.

### Prohibited restrictive agreements

245. *Beef and veal*. By decision of 2 April under Article 81 of the EC Treaty, the Commission prohibited an agreement between six federations in the beef and veal sector in France setting a minimum purchase price for certain categories of cattle and suspending, or at least restricting, imports of all types of beef and veal<sup>(4)</sup>. The Commission imposed fines totalling EUR 16.68 million on the six federations, four of which represent farmers and two which represent slaughterers. The agreement, which they pursued despite a warning letter from the Commission, having applied for a limited period, the fines were nevertheless substantially reduced in view of the exceptional circumstances in which the agreement was concluded (decline in the prices of beef and veal linked to the 'mad cow' crisis; pressure on the slaughterers to conclude the agreement resulting from the violent action taken by farmers; the intervention of the Minister for Agriculture).

246. *Yamaha*. The Commission found on 16 July that Yamaha Corporation Japan, Yamaha Europa GmbH, Yamaha Musica Italia SpA, Yamaha Musique France SA and Yamaha Scandinavia AB had infringed Article 81(1) of the EC Treaty and Article 53(1) of the EEA Agreement<sup>(5)</sup>. The Commission took the view that the agreements and prac-

(1) Bull. 10-2003, point 1.3.47.

(2) 1999 General Report, point 186.

(3) Bull. 12-2003, point 1.3.72.

(4) Bull. 4-2003, point 1.3.24.

(5) Bull. 7/8-2003, point 1.3.75.

tices governing the distribution of musical instruments manufactured and sold by Yamaha were intended to obstruct parallel trade and fix resale prices and imposed a fine of EUR 2.56 million on the addressees of the decision.

247. *Sorbates*. By decision of 1 October under Article 81 of the EC Treaty and Article 53 of the EEA Agreement, the Commission prohibited a cartel of sorbate producers aimed at fixing prices and market shares <sup>(1)</sup>. The Commission imposed fines totalling EUR 138.4 million on four companies <sup>(2)</sup>. Another company to which the decision is addressed was granted full immunity under the 1996 leniency notice <sup>(3)</sup>. The five companies together controlled almost 85 % of the sorbates market in the European Economic Area.

248. *Carbon and graphite products*. On 3 December the Commission, acting under Article 81 of the EC Treaty and Article 53 of the EEA Agreement, imposed fines totalling EUR 101.44 million on Carbone Lorraine, SGL, Schunk and two other companies for operating a cartel in the market for electrical and mechanical carbon and graphite products in the European Economic Area between 1988 and 1999 <sup>(4)</sup>. Morgan Crucible, which also participated in the cartel, received immunity from fines for being the first to denounce the illegal behaviour to the Commission. During the same period, SGL and Carbone Lorraine took part in two other cartels against which the Commission has also acted. The fines imposed were not, however, increased for this since the collusive behaviour was broadly contemporaneous.

249. *Organic peroxides*. On 10 December the Commission, acting under Article 81 of the EC Treaty and Article 53 of the EEA Agreement, imposed fines totalling EUR 69.5 million on Atofina, Peroxid Chemie, Degussa UK Holdings, Perorsa and AC Treuhand for operating a cartel in the market for organic peroxide products within the European Economic Area between 1971 and 1999 <sup>(5)</sup>. Although it also took part in the cartel, Akzo received full immunity for being the first to confess its existence to the Commission. The high level of the fines for three of the companies reflected the fact that this was not the first time that they had been caught in cartel agreements.

250. *Industrial tubes*. On 16 December the Commission imposed a total of EUR 79 million in fines on Outokumpu, Wieland Werke and the KME group, the main copper tube producers in Europe <sup>(6)</sup>. The companies and their subsidiaries operated a secret cartel between 1988 and 2001 in the market for industrial tubes. The cartel was organised within the framework of the Cuproclima Quality Association for ACR Tubes, established in Switzerland, and involved

<sup>(1)</sup> Bull. 10-2003, point 1.3.48.

<sup>(2)</sup> Hoechst AG (EUR 99 million), Daicel Chemical Industries Ltd (EUR 16.6 million), Ueno Fine Chemicals Industry Ltd (EUR 12.3 million) and The Nippon Synthetic Chemical Industry Co Ltd (EUR 10.5 million).

<sup>(3)</sup> OJ C 207, 18.7.1996; 1996 General Report, point 156.

<sup>(4)</sup> Bull. 12-2003, point 1.3.74.

<sup>(5)</sup> Bull. 12-2003, point 1.3.75.

<sup>(6)</sup> Bull. 12-2003, point 1.3.76.

regular price-fixing and market-sharing talks under the cover of official trade meetings organised by the Swiss-based association.

## Dominant positions

251. *Deutsche Telekom AG*. On 21 May the Commission adopted a decision under Article 82 of the EC Treaty finding that Deutsche Telekom AG (DT) had abused its dominant position through unfair prices for the provision of local access to its fixed telecommunications network (local loop) <sup>(1)</sup>. DT charged new entrants higher fees for wholesale access to the local loop than what its subscribers paid for fixed-line subscriptions. This deterred new companies from entering the market and reduced the choice of suppliers of telecoms services as well as price competition for consumers. In view of the gravity and duration of the abuse, the Commission imposed a fine of EUR 12.6 million.

252. *Wanadoo*. On 16 July the Commission adopted a decision under Article 82 of the EC Treaty against Wanadoo Interactive, a subsidiary of France Télécom, for abuse of a dominant position in the form of predatory pricing in the field of ADSL access to the Internet by the general public <sup>(2)</sup>. It found that between March 2001 and October 2002 the retail prices charged by Wanadoo were below cost. This practice restricted market entry and expansion by competitors, to the detriment of consumers, in a market which is essential for the development of the information society. In view of the seriousness and duration of the abuse, the Commission imposed a fine on Wanadoo Interactive of EUR 10.35 million.

253. *IMS Health*. By decision of 13 August <sup>(3)</sup> the Commission withdrew its interim measures decision of 3 July 2001 <sup>(4)</sup> against IMS Health (IMS) concerning data collection on pharmaceutical sales and prescriptions in Germany. Following a substantial change in the situation, the threat of the disappearance of a competitor, which could have harmed the public interest, was no longer sufficiently urgent as to justify the maintenance of interim measures.

254. *GVG/Ferrovie dello Stato*. On 28 August the Commission took a decision under Article 82 of the EC Treaty against Ferrovie dello Stato (FS), the Italian national railway company, on the basis of a complaint by Georg Verkehrsorganisation GmbH (GVG), a small German railway company <sup>(5)</sup>. FS had abused its dominant position because it had prevented GVG from providing an international rail passenger transport service between Basle and Milan since 1995. Given the novelty of the case and the important commitments made by FS, the Commission did not impose a fine.

<sup>(1)</sup> Bull. 5-2003, point 1.3.48.

<sup>(2)</sup> Bull. 7/8-2003, point 1.3.74.

<sup>(3)</sup> Bull. 7/8-2003, point 1.3.78.

<sup>(4)</sup> 2001 General Report, point 256.

<sup>(5)</sup> Bull. 7/8-2003, point 1.3.79.

## Mergers <sup>(1)</sup>

### General approach <sup>(2)</sup>

255. The Commission's draft notice on the appraisal of mergers between competitors <sup>(3)</sup>, which it presented at the end of 2002, was the subject of a favourable opinion <sup>(4)</sup> adopted on 24 September by the European Economic and Social Committee, which also called on the Commission to give more practical examples.

256. The proposed new merger regulation, which the Commission presented in December 2002, was the subject of legislative discussions, culminating in political agreement within the Council on 27 November (Table II).

257. On 16 December the Commission adopted for the first time guidelines setting out its analytical approach when assessing the likely impact on competition of mergers between competitors <sup>(5)</sup>. This initiative is one of the cornerstones of the reform of the merger control system, which highlights the principle that such transactions will be called into question only where they increase the market power of the companies concerned to an extent that is prejudicial to consumers.

### Individual cases

258. *ECS/Belgian local authority energy suppliers*. By decision of 13 February the Commission referred to the Belgian competition authorities the examination of six mergers following a request from the Belgian Ministry of Economic Affairs that it refer all the merger cases arising from the agreements between six joint public/private local authority energy suppliers and Electrabel for the supply of electricity and gas to eligible customers in Flanders <sup>(6)</sup>. The Commission found that the deal was likely to strengthen Electrabel's dominant position on the domestic markets for the supply of electricity and gas to eligible customers and consequently decided to agree to the request by the Belgian authorities, who will now examine the cases.

259. *Pfizer/Pharmacia*. On 27 February the Commission authorised Pfizer Inc., subject to compliance with the undertakings given by the parties, to acquire Pharmacia Corporation, thereby creating the largest pharmaceutical company in the world <sup>(7)</sup>. The Commission having raised serious doubts about the compatibility with the common market of

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<sup>(1)</sup> <http://europa.eu.int/comm/competition/mergers/overview/>.

<sup>(2)</sup> Statistical data on merger control will be included in the *XXXIIIrd Report on Competition Policy*, to be published in 2004.

<sup>(3)</sup> OJ C 331, 31.12.2002; 2002 General Report, point 230.

<sup>(4)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.30.

<sup>(5)</sup> Bull. 12-2003, point 1.3.63.

<sup>(6)</sup> Bull. 1/2-2003, point 1.3.94.

<sup>(7)</sup> Bull. 1/2-2003, point 1.3.97.

several human and animal pharmaceutical applications, the parties offered a series of undertakings to alleviate competition concerns.

260. *Newscorp/Telepiù*. On 2 April the Commission authorised a merger between Stream and Telepiù, subject to compliance with the undertakings given by the parties <sup>(1)</sup>. Although the deal would create a quasi-monopoly on the Italian pay-TV market, the Commission took the view that authorising it, subject to appropriate conditions, was better for consumers than the disruption of the market that would have been caused by the likely closure of Stream, the smaller and weaker of the two existing operators. The Commission concluded that the comprehensive corrective package proposed by Newscorp, which included commitments in respect of both structure and conduct, created the right conditions for effective competition, and it therefore decided not to oppose the merger.

261. *DaimlerChrysler/Deutsche Telekom/JV*. The Commission decided on 30 April to authorise DaimlerChrysler AG and Deutsche Telekom AG to create a joint venture, Toll Collect GmbH, subject to compliance with the undertakings given by the parties <sup>(2)</sup>. Toll Collect will install and operate a system for collecting tolls from heavy goods vehicles in Germany, which can also be used as a platform to provide telematic services. The Commission feared that the deal would place DaimlerChrysler in a dominant position on the emerging market for telematic systems in Germany. While removing the Commission's competition concerns and creating a level playing field for all competitors, the undertakings given by DaimlerChrysler and Deutsche Telekom will form a basis for the development of the emerging market in telematic systems and, in particular, will meet consumer needs.

262. *Siemens/Drägerwerk/JV*. The Commission also decided on 30 April to authorise Siemens AG and Drägerwerk AG to merge their business in medical ventilators, anaesthesia delivery systems and patient monitoring systems, subject to compliance with the undertakings given by the parties <sup>(3)</sup>. The Commission was concerned that Siemens and Drägerwerk, through their joint venture, Dräger Medical, would hold too high a share of the markets concerned, and that hospitals might suffer as a result. However, Siemens successfully removed these concerns by offering to sell its ventilator and anaesthesia delivery business and to provide the necessary interface information for its equipment to work with competitors' patient monitors and clinical information systems.

263. *Verbund/Energie Allianz*. On 11 June the Commission authorised the merger of the Austrian electricity company Österreichische Elektrizitätswirtschafts-AG (Verbund) and five Austrian regional electricity suppliers trading as Energie Allianz, subject to compliance with the undertakings given by the parties <sup>(4)</sup>. The parties offered significant remedies that dispelled the Commission's concerns altogether, including the divestment of

(1) Bull. 4-2003, point 1.3.19.

(2) Bull. 4-2003, point 1.3.21.

(3) Bull. 4-2003, point 1.3.22.

(4) Bull. 6-2003, point 1.3.50.

Verbund's controlling holding in APC, its distributor to large customers. The Commission acted in close cooperation with the Austrian competition authority and the Austrian energy regulator, E-Control. The energy regulator will supervise the implementation of some of the remedies offered, in particular where balancing energy and energy auctions are concerned.

**264.** *CVRD/Caemi.* On 18 July the Commission gave the go-ahead to the acquisition of sole control of the Brazilian mining company Caemi by the iron-ore producer CVRD, provided that the parties honoured their commitments <sup>(1)</sup>. The change from joint to sole control in the present case, following a transaction authorised by the Commission in October 2001 subject to conditions <sup>(2)</sup>, will not give rise to any new competition concerns. CVRD will still have to fulfil the conditions laid down.

**265.** *DSM/Roche Vitamines.* The Commission decided on 23 July to clear the acquisition of the vitamins and fine chemicals division of Roche, established in Switzerland, by the Dutch company DSM, provided that the parties honoured their commitments <sup>(3)</sup>. DSM presented a series of commitments that would bring to an end its alliance with the German company BASF for the production and distribution of feed enzymes and transfer its feed enzyme production activities to a purchaser to be approved by the Commission.

**266.** *Procter & Gamble/Wella.* On 30 July the Commission authorised the US company Procter & Gamble to acquire the German company Wella AG, provided that the parties honoured their commitments <sup>(4)</sup>. The Commission found that there were competition concerns on the hair-care retail markets in Ireland, Sweden and Norway. Procter & Gamble presented a series of commitments aimed at licensing its 'Herbal Essences' brand and a number of other brands for five years to a licensee to be approved by the Commission.

**267.** *SNCF/Trenitalia.* By decision of 4 August the Commission approved the setting up of a 50/50 joint venture by SNCF and Trenitalia, the French and Italian rail companies <sup>(5)</sup>. The joint venture, also known as Autoroute Ferroviaire Alpine, will provide a new rail shuttle service for lorries and semi-trailers through the Fréjus tunnel under Mont Cenis aimed at relieving congestion on roads through the Alps. This service will supplement the various existing means of transport and routes across the Alps, providing lorry drivers with a new alternative. However, this approval in no way prejudices any examination under the State aid rules of the financial support which the French and Italian governments intend to give to the scheme.

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<sup>(1)</sup> Bull. 7/8-2003, point 1.3.65.

<sup>(2)</sup> Bull. 10-2001, point 1.3.66.

<sup>(3)</sup> Bull. 7/8-2003, point 1.3.67.

<sup>(4)</sup> Bull. 7/8-2003, point 1.3.71.

<sup>(5)</sup> Bull. 7/8-2003, point 1.3.73.

268. *GE/Instrumentarium*. On 2 September the Commission authorised the acquisition by General Electric Medical Systems of the Finnish company Instrumentarium, subject to compliance with the undertakings given by the parties <sup>(1)</sup>. In order to secure regulatory approval in the European Union, GE undertook to sell Instrumentarium's Spacelabs business, to enter into a series of supply agreements with its acquirer and to ensure that its anaesthesia equipment, patient monitors and clinical information systems would inter-operate with third parties' devices.

269. *Alcan/Pechiney (II)*. The Commission decided on 29 September to clear the takeover bid by the Canadian company Alcan for the French aluminium producer Pechiney, subject to compliance with the undertakings given by the parties <sup>(2)</sup>. The remedies offered involved divesting a number of businesses and other conditions that would ensure a comparable level of competition in the supply of aluminium sheets for the beverages and cosmetics industries after the merger.

270. *GE/Agfa NDT*. On 5 December the Commission cleared, subject to conditions, the acquisition by the US company General Electric (GE) of Agfa's non-destructive testing business. The Commission's investigation highlighted serious concerns in the market for portable ultrasound NDT devices, but GE was able to address these concerns by offering to divest the ultrasound NDT business of its subsidiary Panametrics.

## State aid <sup>(3)</sup>

### General policy <sup>(4)</sup>

271. The Brussels European Council of 20 and 21 March called for a further reduction in State aid, the simplification and modernisation of State aid arrangements, and the re-direction of aid to horizontal objectives <sup>(5)</sup>.

272. *Legislation*. On 29 October the Commission decided to extend until 2006 application of the transitional arrangements under the multisectoral framework, in the absence of a compromise on the most sensitive sectors <sup>(6)</sup>. It also proposed in this context that the application of existing regional aid schemes to the shipbuilding industry be notified as of 1 January 2004. The Commission furthermore started consultations with Member States with a view to streamlining procedures in order to facilitate cooperation with the national authorities concerning the notification of State aid and the information they must provide on aid granted under block exemption regulations.

<sup>(1)</sup> Bull. 9-2003, point 1.3.32.

<sup>(2)</sup> Bull. 9-2003, point 1.3.33.

<sup>(3)</sup> [http://europa.eu.int/comm/competition/state\\_aid/overview/](http://europa.eu.int/comm/competition/state_aid/overview/).

<sup>(4)</sup> For general statistical data and a discussion of the most significant individual cases, see the *XXXIIIrd Report on Competition Policy*, which will be published in 2004.

<sup>(5)</sup> Bull. 3-2003, point 1.12.

<sup>(6)</sup> Bull. 10-2003, point 1.3.51.

273. *Scoreboard.* On 30 April <sup>(1)</sup> and 29 October <sup>(2)</sup> the Commission published updated versions of this document, which is intended to increase transparency in the monitoring of State aid.

274. On 13 March the European Parliament expressed concerns about the closure of firms which had received public financial aid (→ point 290). Legislative discussions continued on protection against certain unfair practices in air transport provided by third countries (→ point 705).

## Horizontal aid and sectoral and regional schemes

### General rules

275. *Agriculture and fisheries.* On 19 February the Commission, in accordance with the aim laid down in 1998 of modernising and simplifying the State aid rules <sup>(3)</sup>, presented a draft regulation <sup>(4)</sup> which would allow Member States to grant certain types of aid without having to seek prior clearance by the Commission, such as aid towards the cost of conserving traditional landscapes and buildings or aid for the establishment of young farmers. On 4 November it launched a consultation <sup>(5)</sup> on a future regulation that would enable a large number of aid measures in the fisheries sector to be granted henceforth without requiring prior clearance by the Commission.

276. *Research and development.* On 10 December the Commission approved the principle of amending the block exemption regulations for training aid <sup>(6)</sup> and aid to small and medium-sized enterprises (SMEs) <sup>(7)</sup> in order to facilitate the grant of R & D aid to SMEs without prior notification. The amendment also incorporates into the regulations the new definition of SMEs resulting from a recommendation adopted by the Commission on 6 May (→ point 289).

### Individual cases

277. *Public services.* By decision of 15 October the Commission informed Italy and Portugal, after conducting a detailed investigation of their financing systems, that certain ad hoc public financing measures adopted in the 1990s for their television broadcasters were in line with the relevant State aid rules as they were limited to covering losses incurred in performing their public service obligations <sup>(8)</sup>. In the case of Spain, no formal investigation procedure was opened, but the Spanish authorities were invited to bring the

<sup>(1)</sup> COM(2003) 225; Bull. 4-2003, point 1.3.26.

<sup>(2)</sup> Bull. 10-2003, point 1.3.49.

<sup>(3)</sup> Council Regulation (EC) No 994/98 (OJ L 142, 14.5.1998; 1998 General Report, point 223).

<sup>(4)</sup> Bull. 1/2-2003, point 1.3.167.

<sup>(5)</sup> OJ C 265, 4.11.2003.

<sup>(6)</sup> Regulation (EC) No 68/2001 (OJ L 10, 13.1.2001; 2001 General Report, point 271).

<sup>(7)</sup> Regulation (EC) No 70/2001 (OJ L 10, 13.1.2001; 2001 General Report, point 271).

<sup>(8)</sup> Bull. 10-2003, point 1.3.53.

existing measure into line with the notice on public service broadcasting and the transparency directive in order to avoid any overcompensation.

**278. *Tax aid.*** Three major decisions were adopted on 18 February on the 15 measures that the Commission had been investigating since July 2001 <sup>(1)</sup>. Final negative decisions were taken on the tax concessions granted by the schemes for coordination centres in Belgium, international financing activities in the Netherlands and foreign income in Ireland. Since the schemes constituted existing aid which had at the time been authorised, the Commission did not require the aid to be repaid and allowed the Member States a transitional period for adapting their schemes.

**279. *Restructuring aid.*** On 23 July the Commission decided to initiate a formal investigation into restructuring aid granted by the United Kingdom government to British Energy plc (BE). According to the restructuring plan, the UK government is to take responsibility for financing previous commitments in the nuclear field, with special reference to the management of fuel loaded before the restructuring and the decommissioning of BE's nuclear plants. Several other measures, such as the renegotiation of fuel supply and spent fuel management contracts between BE and British Nuclear Fuel, the introduction of a moratorium, several financial restructuring agreements with BE's main creditors and the divestment of its North American assets, have enabled the necessary confidence to be restored for the company to return to viability within a reasonable timescale.

## **International cooperation <sup>(2)</sup>**

**280. *United States and Canada.*** On 13 August the Commission presented a report on implementation of the agreements on the application of competition rules with both countries in 2002 <sup>(3)</sup>. It noted that the agreements had continued to provide a framework for constructive cooperation between the parties, in particular through the effective resolution of a number of cases.

**281. *Japan.*** On 10 July the Community and Japan signed an agreement concerning cooperation on combating anti-competitive practices (Table III).

**282. *China.*** On 24 November, on the occasion of his visit to Beijing, Commissioner Monti agreed with the Chinese authorities on the terms of reference for future cooperation between the Community and China in the field of competition policy.

**283. *International competition network.*** The Commission presented to the ICN annual conference in June, in conjunction with the South African Competition Tribunal, a report

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<sup>(1)</sup> Bull. 1/2-2003, point 1.3.113.

<sup>(2)</sup> <http://europa.eu.int/comm/competition/international/overview/>.

<sup>(3)</sup> COM(2003) 500; Bull. 7/8-2003, point 1.3.89. Previous report: COM(2002) 505; 2002 General Report, point 247.

on capacity building which highlighted the challenges usually encountered when introducing competition regimes in developing or transition countries.

**284.** *Promoting international cooperation.* The Commission hosted an international cartel workshop in October attended by some 160 competition officials from over 30 countries.

*Section 7***Enterprise (1)****Overview**

285. *Developments in enterprise policy in 2003 continued to be determined by the objective, set in Lisbon in 2000, of making the economy of the European Union the world's most competitive economy by 2010. In this connection, at its meeting in March the European Council made a particular appeal for competitiveness to be made a central concern of the European Union, and at its October meeting it advocated an integrated strategy for European competitiveness. With this in view, the Commission recommended a series of urgent major measures to meet this objective. In the course of the year it also issued a Green Paper on entrepreneurship in Europe and a communication on innovation policy and continued the work started in 2002 on defining an industrial policy for an enlarged Europe. At sectoral level, the Commission fleshed out, particularly by means of the 'REACH' system, the strategy outlined in 2001 in the field of chemical products. It also presented communications on the defence equipment industry and on a stronger European-based pharmaceutical industry. In addition, progress was made on legislation relating to vehicles and their safety equipment.*

**Competitiveness and enterprise policy (2)****General**

286. *Overall approach.* The Brussels European Council of 20 and 21 March called for competitiveness to be made the central concern of the European Union (3) and for efforts to be pursued to improve the general business environment in order to reduce the administrative burden on firms and promote the creation and growth of small businesses (4). It called on the Member States to play an active role in the consultation process following the presentation by the Commission of its Green Paper on entrepreneurship in Europe (5). This document, adopted on 22 January (6), was intended by the Commission to launch a debate on future policy in this domain. In its conclusions of 3 March (7), the Council also recommended a coordinated approach to entrepreneurship policy. The Commission initiative was welcomed by the Committee of the Regions on 2 July (8), by the European

(1) Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/enterprise/index\\_en.htm](http://europa.eu.int/comm/dgs/enterprise/index_en.htm)).

(2) [http://europa.eu.int/comm/enterprise/enterprise\\_policy/index.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/index.htm).

(3) Bull. 3-2003, point I.7.

(4) Bull. 3-2003, point I.8.

(5) Bull. 3-2003, point I.9; Internet ([http://europa.eu.int/comm/enterprise/entrepreneurship/green\\_paper/index.htm](http://europa.eu.int/comm/enterprise/entrepreneurship/green_paper/index.htm)).

(6) COM(2003) 27; Bull. 1/2-2003, point 1.3.118.

(7) OJ C 64, 18.3.2003; Bull. 3-2003, point 1.3.66.

(8) OJ C 256, 24.10.2003; Bull. 7/8-2003, point 1.3.92.

Economic and Social Committee on 24 September <sup>(1)</sup> and by the European Parliament on 23 October <sup>(2)</sup>. It gave rise to a large-scale debate among the parties concerned, not only in Europe but also further afield.

Studies and analyses to ensure a better understanding of the factors which determine business competitiveness continued. The 2003 European Competitiveness Report <sup>(3)</sup> and the 2003 version of the enterprise policy scoreboard <sup>(4)</sup> were published in October. The main findings of the Competitiveness Report and the study on 'European productivity and competitiveness: a European perspective' were presented and discussed at a high-level conference held by the Commission on 9 December in Brussels.

**287. *Integrated approach to competitiveness.*** On 21 November the Commission adopted a communication on an integrated approach to competitiveness in Europe <sup>(5)</sup>. This was in response to a request by the European Council, which had considered at its meeting on 16 and 17 October <sup>(6)</sup> that an integrated strategy for competitiveness in Europe required horizontal action to ensure that a range of policies were pursued with a view to systematically enhancing the factors of competitiveness for enterprises and industry. This communication identified a number of urgent major lines of action to be pursued by the European Parliament, the Council and the Commission itself. The Commission also wants to set up an effective system for assessing the economic, social and environmental impact of the proposals it puts forward. On this occasion the Commission also gave an initial response to the problem of deindustrialisation. This communication was welcomed by the Council on 26 November <sup>(7)</sup>. The European Council of 12 December <sup>(8)</sup> also noted with interest the progress made in defining an integrated across-the-board approach to competitiveness.

**288. *Industrial policy.*** The communication presented by the Commission on 11 December 2002 on industrial policy in an enlarged Europe <sup>(9)</sup> was welcomed on 13 May <sup>(10)</sup> by the Council, which stressed the importance of industry's contribution to competitiveness and called on the current and future Member States and the Commission to exchange regular information on the subject. The Commission communication was the subject of a European Economic and Social Committee opinion <sup>(11)</sup> on 17 July, a Committee of the Regions opinion <sup>(12)</sup> on 9 October and a European Parliament resolution <sup>(13)</sup> on 23 October. On

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<sup>(1)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.40.

<sup>(2)</sup> Bull. 10-2003, point 1.3.60.

<sup>(3)</sup> SEC(2003) 1299.

<sup>(4)</sup> SEC(2003) 1278.

<sup>(5)</sup> COM(2003) 704; Bull. 11-2003, point 1.3.52.

<sup>(6)</sup> Bull. 10-2003, point I.9.

<sup>(7)</sup> Bull. 11-2003, point 1.3.52.

<sup>(8)</sup> Bull. 12-2003, point 1.6.

<sup>(9)</sup> COM(2002) 714; 2002 General Report, point 252; Internet ([http://europa.eu.int/comm/enterprise/enterprise\\_policy/industry/index.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/industry/index.htm)).

<sup>(10)</sup> OJ C 149, 26.6.2003; Bull. 5-2003, point 1.3.60.

<sup>(11)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.3.90.

<sup>(12)</sup> OJ C 10, 14.1.2004; Bull. 10-2003, point 1.3.58.

<sup>(13)</sup> Bull. 10-2003, point 1.3.59.

25 September <sup>(1)</sup> the European Economic and Social Committee assessed the current situation and future trends with regard to industrial change. The Brussels European Council on 16 and 17 October <sup>(2)</sup> called on the Council and the Commission to address the needs of specific industrial sectors, especially the manufacturing sector, to enable them to enhance their competitiveness. In a communication dated 21 November <sup>(3)</sup>, the Commission recognised that the horizontal approach in industrial policy needed to be complemented with specific sectoral approaches such as the ‘LeaderSHIP 2015’ initiative, which represents the application of this principle to the strategically highly important shipbuilding industry.

289. *Definitions.* In its recommendation 2003/361/EC of 6 May <sup>(4)</sup>, the Commission defined the terms micro-, small and medium-sized enterprises used in Community policies and the thresholds for distinguishing them.

290. *Unfair commercial practice.* On 13 March <sup>(5)</sup> the European Parliament expressed its concern about unfair practices involving, for example, the relocation of companies to other countries once public financial aid has been granted, breaching the employment and local development obligations entered into by the heads of the companies receiving the funding. It called on the Commission to take a number of measures to combat such practices.

291. *Product policy.* On 1 August the Commission adopted a proposal for amending the current legislation on energy-using products such as electrical and heating appliances to require the systematic integration of environmental considerations into product design (Table I).

## External aspects of enterprise policy

292. In a communication dated 19 May, the Commission explained how it intends to support business development in non-member countries (→ point 824).

## Operation of the internal market, regulatory policy, standardisation, impact assessment

293. *Operation of the internal market.* In application of Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations and the rules governing information society services <sup>(6)</sup>, in 2003 the Commission received 486 notifications of draft technical regulations, including 20 on the rules governing information society services. The number of notifications received fell from 508 in

<sup>(1)</sup> Bull. 9-2003, point 1.3.38.

<sup>(2)</sup> Bull. 10-2003, point I.11.

<sup>(3)</sup> COM(2003) 717; Bull. 11-2003, point 1.3.54.

<sup>(4)</sup> OJ L 124, 20.5.2003; Bull. 5-2003, point 1.3.62.

<sup>(5)</sup> Bull. 3-2003, point 1.3.65.

<sup>(6)</sup> 1998 General Report, point 158; Internet ([http://europa.eu.int/comm/enterprise/tris/index\\_en.htm](http://europa.eu.int/comm/enterprise/tris/index_en.htm)).

2002 to 486 in 2003, primarily as a result of a decrease in notifications in the transport and telecommunications sector. This year the Commission issued detailed opinions in 50 cases <sup>(1)</sup> on breaches of Community law to which draft regulations might give rise. The Member States did likewise in 55 cases <sup>(1)</sup>. These detailed opinions show that the sectors causing most problems are the farm and food products and telecommunications sectors. The number of notifications under the procedure for the exchange of information in the field of technical regulations provided for in the agreement on the European Economic Area (EEA) went from 49 in 2002 to 34 in 2003. The Commission, acting on behalf of the Community, sent a total of 12 observations to the EFTA countries that are signatories to the EEA Agreement.

On 13 February the Commission presented a report on the application of Directive 98/34/EC in the field of information society services <sup>(2)</sup>. In the light of a positive overall assessment, it regards this procedure as an effective tool for managing the internal market in this new economic field. On 23 May <sup>(3)</sup> the Commission also adopted a report on the operation from 1999 to 2001 of Directive 98/34/EC laying down a procedure for the provision of information in the field of technical standards and regulations. On 22 September (Table III) and 24 November (Table III) the Commission concluded with each of the 10 future Member States which are signatories to the Treaty of Athens (→ point 45) bilateral agreements laying down a simplified procedure for the advance notification of technical regulations and rules on information society services, the aim being to prepare these countries as early as possible for the notification procedure laid down in Directive 98/34/EC. On 17 November the Council adopted the decision allowing the European Union to accede to the Council of Europe's Convention No 180 on information and legal cooperation concerning information society services (Table III).

Further information on the operation of the internal market can be found in Section 5 ('Internal market') of this chapter (→ point 186).

**294. *Regulatory policy.*** A number of regulatory policy issues are dealt with in Section 6 ('Simplifying and improving the regulatory environment') of Chapter I (→ points 28–30) and Section 5 ('Internal market') of this chapter (→ point 182).

**295. *Technical harmonisation and standardisation.*** In a communication dated 7 May <sup>(4)</sup>, the Commission offered a general review intended to improve the application of the 'new approach' directives <sup>(5)</sup>, a legislative technique used in the area of the free movement of goods which consists of defining only the essential requirements with which products must comply and leaving to voluntarily applicable harmonised standards the job of defining the

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<sup>(1)</sup> Figure on 1 January 2004. The deadline for delivering detailed opinions in response to drafts notified in 2003 is 31 March 2004.

<sup>(2)</sup> COM(2003) 69; Bull. 1/2-2003, point 1.3.73.

<sup>(3)</sup> COM(2003) 200; Bull. 5-2003, point 1.3.70. Previous report: COM(2000) 429; 2000 General Report, point 251.

<sup>(4)</sup> COM(2003) 240; Bull. 5-2003, point 1.3.58.

<sup>(5)</sup> Council resolution of 7 May 1985 (OJ C 136, 4.6.1985; Nineteenth General Report, point 210).

technical characteristics of products. With a view to greater competitiveness, the Commission pointed out the need to further boost the efficiency and transparency of the system in order to improve the operation of the internal market. It therefore recommends measures aimed primarily at strengthening European cooperation and coherence in the procedures for designating and notifying conformity assessment bodies and in market surveillance. It also proposes to promote public awareness of the CE marking and to significantly increase the coherence of the horizontal provisions. In a resolution of 10 November <sup>(1)</sup> the Council approved the objectives and recommendations in the Commission's communication.

The new guidelines for cooperation between, on the one hand, the European standards organisations CEN/Cenelec/ETSI and, on the other, the Commission and the European Free Trade Association were signed on 28 March. This document sets out the political framework for making better use of European standardisation in Community policies. It also provides for greater participation by non-governmental bodies in the standardisation process. In addition, new financial partnership agreements were drawn up with CEN/Cenelec/ETSI for the period 2004–07 so as to allow the Commission to fund specific standardisation activities supporting various Community policies (internal market, services, transport and energy, the environment, information technology, security and justice, consumer protection). Several mandates for launching standardisation activities, particularly in the fields of the environment and services, were entrusted to the European standardisation organisations.

In connection with the application of Directive 89/106/EEC on construction products <sup>(2)</sup>, the Commission adopted a series of decisions to complete the standardisation programme covering all the families of products that remained to be harmonised.

### **Multiannual programme for enterprise and entrepreneurship (2001–05) <sup>(3)</sup>**

296. The activities pursued in 2003 under the multiannual programme fall under three headings: the financial instruments managed by the European Investment Fund (EIF), the support services provided to enterprises at European level through the network of Euro Info Centres <sup>(4)</sup>, and the policy activities, including the BEST procedure <sup>(5)</sup> launched in response to the Lisbon European Council's call for the creation of an open method of coordination <sup>(6)</sup>. This last heading covers a limited number of BEST projects reflecting policy priorities agreed with the Member States, together with certain studies and exercises in collecting data and disseminating information on enterprise policy. The Commission, in close cooperation with the national governments and other interested players, has launched

<sup>(1)</sup> Bull. 11-2003, point 1.3.51.

<sup>(2)</sup> OJ L 40, 11.2.1989.

<sup>(3)</sup> 2000 General Report, point 26; Internet ([http://europa.eu.int/comm/enterprise/enterprise\\_policy/mult\\_entr\\_programme/programme\\_2001\\_2005.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/mult_entr_programme/programme_2001_2005.htm)).

<sup>(4)</sup> <http://europa.eu.int/comm/enterprise/networks/eic/eic.html>.

<sup>(5)</sup> [http://europa.eu.int/comm/enterprise/enterprise\\_policy/best/best\\_procedure.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/best/best_procedure.htm).

<sup>(6)</sup> Bull. 3-2003, point 1.8.

new BEST projects on the following themes: mini-companies in secondary education; obstacles to growth; recruiting the first employee; consultation of stakeholders in the shaping of national and regional entrepreneurship policies; guarantees and mutual guarantees.

### European Charter for Small Businesses <sup>(1)</sup>

297. On 21 January the Commission presented its second annual report on implementation of the Charter <sup>(2)</sup>, summarising the measures taken by the Member States, Norway and the Commission itself. The European Economic and Social Committee stressed the importance of such reports in its opinion of 18 June <sup>(3)</sup>. On 21 January the Commission also adopted a communication entitled 'Thinking small in an enlarging Europe' <sup>(4)</sup>, aimed at stimulating debate on the needs of small businesses. On 20 and 21 March the Brussels European Council encouraged the Member States to speed up the implementation of the Charter in an innovative way in order to ensure that small businesses are more effectively involved and consulted in the policy-making process <sup>(5)</sup>.

### Business services

298. On 4 December <sup>(6)</sup> the Commission adopted a communication on business-related services which deals in particular with the competitiveness of these services and their contribution to the efficiency and success of European businesses. The communication analyses the role of business-related services, which comprise four groups of activities: general services to businesses, activities relating to the distributive trades, network services and financial services. It also highlights the importance of these services in the EU economy, where they constitute the largest sector, with 55 million persons employed in 2000, or 55 % of total employment in the market sector, and stresses that business-related services are the main source of job creation and represent more than two thirds of newly created businesses. The communication also identifies the challenges facing this vast sector and the necessary conditions for increasing productivity and improving the prospects for growth.

### Industry and sustainable development <sup>(7)</sup>

299. A conference on 24 and 25 November on the environmental performance of industry in the European Union was an opportunity to spotlight the past advances in environ-

<sup>(1)</sup> 2000 General Report, point 258; Internet ([http://europa.eu.int/comm/enterprise/enterprise\\_policy/charter/index.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/charter/index.htm)).

<sup>(2)</sup> COM(2003) 21; Bull. 1/2-2003, point 1.3.115; Internet ([http://europa.eu.int/comm/enterprise/enterprise\\_policy/charter/charter2003.htm](http://europa.eu.int/comm/enterprise/enterprise_policy/charter/charter2003.htm)). Previous report: COM(2002) 68; 2002 General Report, point 259.

<sup>(3)</sup> OJ C 220, 16.9.2003; Bull. 6-2003, point 1.3.59.

<sup>(4)</sup> COM(2003) 26; Bull. 1/2-2003, point 1.3.116.

<sup>(5)</sup> Bull. 3-2003, point I.9.

<sup>(6)</sup> COM(2003) 747; Bull. 12-2003, point 1.3.84.

<sup>(7)</sup> <http://europa.eu.int/comm/enterprise/environment/index.htm>.

mental performance and to examine the potential for future improvements in terms of both environmental performance and competitiveness. In addition, in accordance with the Council's conclusions of 6 June 2002 on the contribution of enterprise policy to sustainable development <sup>(1)</sup>, the Commission drew up a report describing the work done at national and local levels to improve SMEs' access to environmental management systems (EMSs). This report recommends a phased approach and highlights the need to identify the economic benefits for businesses of implementing EMSs. Furthermore, in order to ensure an optimum balance between environmental considerations and the need to boost the competitiveness of the chemicals industry (→ point 311), a thorough analysis was made of the impact of the new chemicals policy.

### Corporate social responsibility <sup>(2)</sup>

300. On 15 July and 13 November, the Commission held two high-level meetings of the European Multistakeholder Forum on Corporate Social Responsibility <sup>(3)</sup>. The participants reviewed the progress made at the eight round tables organised in 2003 and set out guidelines for the future work of the forum. Further to a project carried out under the multi-annual programme for enterprise and entrepreneurship, the Commission published a brochure presenting several examples of good practice in small and medium-sized businesses in Europe <sup>(4)</sup>.

### Research, innovation and change <sup>(5)</sup>

301. *Innovation policy.* On 11 March <sup>(6)</sup> the Commission adopted a communication on updating the European Union's approach in the context of the Lisbon strategy <sup>(7)</sup>. The communication describes the various routes to innovation, examines the challenges facing European innovation policy, such as the persistently inadequate performance of the European Union as a whole and the implications of enlargement, and suggests new directions for policy development. On 13 May <sup>(8)</sup> the Council welcomed the Commission's intentions and called on it and the current and future Member States to take a number of initiatives in this field. The Commission communication was also welcomed by the European Economic and Social Committee on 25 September <sup>(9)</sup>. On 27 November the Commission presented the 2003 edition of the 'Innovation scoreboard', which analyses performance in

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<sup>(1)</sup> 2002 General Report, point 261.

<sup>(2)</sup> <http://europa.eu.int/comm/enterprise/csr/index.htm>.

<sup>(3)</sup> <http://europa.eu.int/comm/enterprise/csr/forum.htm>.

<sup>(4)</sup> [http://europa.eu.int/comm/enterprise/entrepreneurship/support\\_measures/responsible\\_entrepreneurship/index.htm](http://europa.eu.int/comm/enterprise/entrepreneurship/support_measures/responsible_entrepreneurship/index.htm).

<sup>(5)</sup> <http://europa.eu.int/comm/enterprise/innovation/cordis.htm>.

<sup>(6)</sup> COM(2003) 112; Bull. 3-2003, point 1.3.70.

<sup>(7)</sup> Bull. 3-2003, points I.3 and I.5; 2000 General Report, point 257; Internet (<http://europa.eu.int/comm/enterprise/innovation/communication.htm>).

<sup>(8)</sup> OJ C 149, 26.6.2003; Bull. 5-2003, point 1.3.61.

<sup>(9)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.39.

terms of innovation in the Member States, the associated countries and the accession countries <sup>(1)</sup>.

### **Innovation projects**

302. Studies and analyses continued in 2003 to obtain a better understanding of the dynamics of innovation in Europe. An invitation to tender <sup>(2)</sup> was published for five studies to examine the trends in and scope of innovation in specific areas of interest to political authorities and operators, such as public supply contracts. In addition, the results of the analyses carried out in 2003 were widely distributed, for instance through the publication of a report analysing the issues involved in defining a new innovation policy <sup>(3)</sup> or the issuing of a summary report <sup>(4)</sup>.

### **Innovation networks**

303. The call for proposals for the creation of the new network of 'Innovation relay centres' under the sixth framework research programme (→ points 340–342), which was launched in April, led to the selection of 71 proposals to be the subject of negotiations. Similarly, an invitation to tender for the creation of the two secretariats of the 'Innovation relay centres' and 'Innovating regions in Europe' networks was launched in June.

### **Dissemination of information**

304. *CORDIS service* <sup>(5)</sup>. The CORDIS service has developed to meet the needs of the potential participants or beneficiaries of the sixth framework programme for research (→ point 4.8). A series of new thematic services and the portal giving access to the IT system for the management of the framework programme have been introduced to make it easier to take part in the framework programme and integrate the current and future Member States more fully into the European research area. In addition, more than 40 different publications were published, and major conferences were organised on innovation policy and licensing policy, e.g. 'Patinnova'.

### **Promoting entrepreneurship** <sup>(6)</sup>

305. Some aspects of the promotion of entrepreneurship are dealt with under the heading 'Competitiveness and enterprise policy' in this section (→ points 286–288).

<sup>(1)</sup> SEC(2003) 1255; <http://trendchart.cordis.lu/>. Previous scoreboard: 2002 General Report, point 262.

<sup>(2)</sup> OJ S 151, 8.8.2003.

<sup>(3)</sup> *Innovation tomorrow*, EUR 17052, ISBN 92-894-4549-1.

<sup>(4)</sup> *Entrepreneurial innovation in Europe*, EUR 17051, ISBN 92-894-4448-7.

<sup>(5)</sup> <http://www.cordis.lu/en/home.html>.

<sup>(6)</sup> <http://europa.eu.int/comm/enterprise/entrepreneurship/index.htm>.

## Support measures for entrepreneurship and businesses <sup>(1)</sup>

306. The Commission published a number of reports in connection with this approach. The report entitled *Restructuring, bankruptcy and a fresh start* suggests putting more emphasis on learning from failure, rather than condemning entrepreneurs who have failed from no fault of their own, and asks the Member States to rethink their bankruptcy legislation. Another report, dealing with public policy on enterprise clusters, concludes that these clusters develop best in an organic fashion. Reports on *Education for entrepreneurship* and *Transfer of businesses* make recommendations for policy steps and present examples of best practice. The employee stock option report highlights the fact that significant differences in tax treatment create difficulties for companies active in more than one Member State.

## Support for access to financing <sup>(2)</sup>

307. *Implementation of the financial instruments.* On 5 August, in application of Council Decision 98/347/EC on measures of financial assistance for innovative and job-creating small and medium-sized enterprises <sup>(3)</sup>, the Commission presented its annual report <sup>(4)</sup> on the progress achieved under this heading by 31 December 2002 with regard to the start-up facility, the joint European venture and the SME guarantee mechanism. It particularly welcomed the progress made, despite a difficult year, in the European risk-capital sector. On 1 December <sup>(5)</sup> the Commission adopted a communication on the access to finance of small and medium-sized enterprises in which it recommends in particular that new operations by public authorities at European, national and regional levels should concentrate on three aspects: improving the framework conditions for finance, the provision of finance at an early stage, and increasing companies' equity. On 8 December the Commission proposed amending the multiannual programme for enterprise and entrepreneurship so as to wind up the 'Joint European venture' programme and increase the flexibility of the funding available for start-up companies (Table I).

## Business support networks <sup>(6)</sup>

308. *Euro Info Centres* <sup>(7)</sup>. In 2003 close cooperation was established between the EIC network and the representative of small and medium-sized businesses, in order in particular to answer companies' questions and pass back information about the problems they face. The EICs' role in this function was confirmed in connection with the 'Interactive policy-making' project (→ point 22). Particular importance was attached to the training of

<sup>(1)</sup> [http://europa.eu.int/comm/enterprise/entrepreneurship/support\\_measures/index.htm](http://europa.eu.int/comm/enterprise/entrepreneurship/support_measures/index.htm).

<sup>(2)</sup> <http://europa.eu.int/comm/enterprise/entrepreneurship/financing/index.htm>.

<sup>(3)</sup> OJ L 155, 29.5.1998; 1998 General Report, point 262.

<sup>(4)</sup> COM(2003) 480; Bull. 7/8-2003, point 1.3.93. Previous report: COM(2002) 345; 2002 General Report, point 269.

<sup>(5)</sup> COM(2003) 713; Bull. 12-2003, point 1.3.86.

<sup>(6)</sup> <http://europa.eu.int/comm/enterprise/networks/index.htm>.

<sup>(7)</sup> <http://europa.eu.int/comm/enterprise/networks/eic/eic.html>.

EIC staff and to the dissemination of expertise through specialist working parties. The campaign of activities centred on the theme of enlargement provided a chance to show several thousand European companies the business opportunities of the new 25-member configuration of the European Union. The 'Business innovation centres' and 'Innovation relay centres' networks also took part in the annual EIC conference in Lisbon in October, at which the Commission unveiled the new logo for promoting the rationalisation of the networks under the title 'b2europe'.

### **Improving the business environment and promoting the interests of SMEs in Community policies and programmes**

309. The Brussels European Council of 20 and 21 March called for continued efforts at both European Union and national levels to improve the general environment for businesses in all sectors, including tourism <sup>(1)</sup>.

### **Craft industries, small businesses, cooperatives and mutual societies**

310. The Commission concluded the 'Promoting entrepreneurship amongst women' project <sup>(2)</sup>, which had been carried out under the BEST procedure in order to make an inventory of the measures and best practice adopted at national level in this field. The results of the project and the follow-up measures were examined at the European Forum on Female Entrepreneurship <sup>(3)</sup> held in Brussels on 26 March. The Commission also launched a debate in Europe on the untapped economic potential of ethnic-minority entrepreneurs at a conference in Brussels on 26 June. Furthermore, it launched a consultation on mutuals in an enlarged Europe <sup>(4)</sup>. On 22 July the Council for its part adopted a regulation and a directive on the European cooperative society (→ point 221).

## **Industry and services**

### **Basic industries: chemicals and wood**

311. *Chemicals* <sup>(5)</sup>. On 7 May <sup>(6)</sup> the Commission approved the launching of an Internet consultation, lasting until 10 July, on the applicability of the draft legislation for the implementation of its 2001 White Paper on the strategy for a future chemicals policy <sup>(7)</sup>. Following this consultation, on 29 October the Commission proposed the adoption of a regulation concerning the registration, evaluation, authorisation and restriction of chemicals

(1) Bull. 3-2003, point 1.8.

(2) <http://europa.eu.int/comm/enterprise/entrepreneurship/craft/craft-women/bestproject-women.htm>.

(3) <http://europa.eu.int/comm/enterprise/entrepreneurship/craft/craft-women/bestproject-women-forum.htm>.

(4) <http://europa.eu.int/comm/enterprise/entrepreneurship/coop/mutuals-consultation/index.htm>.

(5) <http://europa.eu.int/comm/enterprise/chemicals/chempol/whitepaper/reach.htm>.

(6) Bull. 5-2003, point 1.3.63.

(7) COM(2001) 88; 2001 General Report, point 309.

(REACH) which would create a European Chemicals Agency and amend Directive 1999/45/EC <sup>(1)</sup> and the regulation (EC) on persistent organic pollutants (Table I). At the same time it proposed amending Directive 67/548/EEC <sup>(2)</sup> to adapt it to the new regulation (Table I). Under the proposed new system, companies manufacturing or importing more than one tonne of a chemical substance per year would be required to register it in a central database. The objective is to improve the protection of human health and the environment while maintaining competitiveness and strengthening the spirit of innovation in the European chemicals industry. In addition, REACH would give the industry greater responsibility with regard to managing the risks posed by chemicals and communicating the safety data on substances, which would be transmitted along the production chain.

The European Parliament and the Council several times amended Directive 76/769/EEC relating to restrictions on the marketing and use of dangerous substances and preparations, namely with regard to the following products: penta- and octabromodiphenyl ether on 6 February (Table I); substances classified as carcinogens, mutagens or substances toxic to reproduction (c/m/r) on 26 May (Table I); and nonylphenol, nonylphenol ethoxylate and cement on 18 June (Table I). By means of Directive 2003/2/EC <sup>(3)</sup>, the Commission also amended Directive 76/769/EEC to adapt it to technical progress. In a regulation of 14 April, the European Parliament and the Council banned the use of organotin compounds in anti-fouling paints applied to ships (→ point 687). On 13 October they adopted Regulation (EC) No 2003/2003, which constitutes a recasting of the various Council and Commission directives on the approximation of the laws of the Member States relating to fertilisers (Table I). On 1 August the Commission launched a consultation on the Internet with a view to a proposal for introducing an upper limit on the cadmium content of fertilisers. In addition, legislative work continued throughout the year for the adoption of regulations concerning detergents (Table I) and drug precursors (Table I) and the codification of the directives on good laboratory practice for tests on chemical substances (Table I). By means of Directive 2003/101/EC <sup>(4)</sup>, the Commission for its part amended the annexes to Directive 92/109/EEC on drug precursors.

**312. *Forest-based and related industries.*** The Advisory Committee on Forestry and Forest-based Industries met in plenary session on 15 January. The third Forest-based Industries Forum was held in Brussels on 18 February and was attended by executives of companies in the sector and representatives of the Commission, the European Parliament, national governments, trade organisations and environmental bodies. Focusing on the questions of waste, energy production and biofuel, the forum called for a coherent legislative and political framework covering these three aspects; it also launched a debate on the need to promote communication, training and innovation in order to attract young people to jobs in the forest-based sector.

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<sup>(1)</sup> OJ L 200, 30.7.1999; 1999 General Report, point 138.

<sup>(2)</sup> OJ 196, 16.8.1967.

<sup>(3)</sup> OJ L 4, 9.1.2003.

<sup>(4)</sup> OJ L 286, 4.11.2003.

## Capital goods: mechanical engineering, electronics, construction, aerospace

313. *Electrical equipment* <sup>(1)</sup>. On 12 May the Commission adopted a proposal to codify Council Directive 73/23/EEC on the harmonisation of the laws of the Member States relating to electrical equipment designed for use within certain voltage limits (Table I).

314. *Medical devices* <sup>(2)</sup>. In a resolution of 13 February <sup>(3)</sup> the European Parliament welcomed the Commission's follow-up, in its communication of 15 November 2001 on Community and national measures in relation to breast implants <sup>(4)</sup>, to the suggestions made by Parliament on 13 June 2001 <sup>(5)</sup>, particularly concerning information given to patients and implant quality. In a resolution of 3 June <sup>(6)</sup> Parliament recommended the reclassification of certain medical devices, particularly those with pharmacological effect. In a communication of 2 July <sup>(7)</sup> the Commission found the existing legislative framework for medical devices at European Union level appropriate, but felt that its implementation needed to be improved. This communication was welcomed by the Council in its conclusions of 2 December <sup>(8)</sup>.

315. *Aerospace*. On 13 October the Commission adopted a communication entitled 'A coherent framework for aerospace — A response to the STAR 21 report' <sup>(9)</sup>, in which it set out its position on the analyses and recommendations made by the Aerospace Advisory Group. It stressed that the aerospace industry had a major role to play in achieving Europe's economic and strategic objectives and that it was essential to strengthen the European framework in such key areas as defence, space and research.

316. *Defence*. On 11 March the Commission adopted a communication on industrial and market issues relating to defence <sup>(10)</sup> in which it stressed the need for the European Union to develop a defence equipment policy. With this in mind the Commission presented a number of initiatives aimed at strengthening the industrial and technological base of the defence sector in Europe, supporting the creation of an internationally competitive European market in defence equipment and promoting research activities to meet future needs with regard to defence and security. In this connection the Council gave further impetus to the development of a policy in this field when it decided to set up in 2004 a European Defence Equipment Agency (→ point 759). On 18 March <sup>(11)</sup> and 13 May <sup>(12)</sup>, the Council

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<sup>(1)</sup> [http://europa.eu.int/comm/enterprise/electr\\_equipment/lv/index.htm](http://europa.eu.int/comm/enterprise/electr_equipment/lv/index.htm).

<sup>(2)</sup> [http://europa.eu.int/comm/enterprise/medical\\_devices/index.htm](http://europa.eu.int/comm/enterprise/medical_devices/index.htm).

<sup>(3)</sup> Bull. 1/2-2003, point 1.3.121.

<sup>(4)</sup> COM(2001) 666; 2001 General Report, point 174.

<sup>(5)</sup> OJ C 53 E, 28.2.2002; 2001 General Report, point 749.

<sup>(6)</sup> Bull. 6-2003, point 1.3.60.

<sup>(7)</sup> COM(2003) 386; Bull. 7/8-2003, point 1.3.105.

<sup>(8)</sup> Bull. 12-2003, point 1.3.85.

<sup>(9)</sup> COM(2003) 600; Bull. 10-2003, point 1.3.61.

<sup>(10)</sup> COM(2003) 113; Bull. 3-2003, point 1.6.7.

<sup>(11)</sup> Bull. 3-2003, point 1.6.8.

<sup>(12)</sup> OJ C 149, 26.6.2003; Bull. 5-2003, point 1.6.4.

expressed support for the Commission's approach and called for a high degree of standardisation in the field of armaments. The European Economic and Social Committee welcomed the Commission's communication on 24 September <sup>(1)</sup>, and the European Parliament stated its position in a resolution of 20 November <sup>(2)</sup>.

317. *Measuring instruments*. Legislative work on the proposal for a directive presented by the Commission in 2000 speeded up significantly in 2003 (Table I).

### **Consumer goods: pharmaceuticals, cosmetics, textiles, motor vehicles, food industry**

318. *Pharmaceuticals* <sup>(3)</sup>. In a communication of 1 July on a stronger European-based pharmaceutical industry <sup>(4)</sup>, the Commission proposed action centred on five themes: genuine benefits to patients; developing a competitive Europe-based industry; strengthening the European Union science base; medicines in an enlarged European Union; and Member States learning from each other with a view to guaranteed use of European indicators. The Commission also proposed benchmarking follow-up measures. On 22 September <sup>(5)</sup> the Commission communication was welcomed by the Council, which called on the Member States to play an active part in the key initiatives presented by the Commission; it also called on the Commission to organise a broad-based consultation exercise with the Member States and interested parties on subjects such as the fixing of prices for pharmaceuticals and their reimbursement and fair and rapid access by patients to European medicines.

With regard to legislation, work continued with a view to the adoption of a 'package' to revise the legislation applying to medicinal products for human or veterinary use, including the creation of a European Agency for the Evaluation of Medicinal Products, and that applying to traditional herbal medicinal products. This work was based on amended Commission proposals (Table I). In December the European Parliament agreed to a compromise negotiated with the Council on these various proposals.

319. *Textiles and clothing*. On 29 October the Commission adopted a communication on the future of the textiles and clothing sector in the enlarged European Union <sup>(6)</sup>, covering a wide range of fields, policies and instruments that have an impact on the competitiveness of this sector. On 27 November the Commission's communication was welcomed by the Council, which called on the Member States and stakeholders to take part in the initiatives proposed by the Commission and backed the Commission's intention of setting up a high-level sectoral group to stimulate debate and formulate recom-

<sup>(1)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.6.15.

<sup>(2)</sup> Bull. 11-2003, point 1.6.8.

<sup>(3)</sup> <http://pharmacos.eudra.org/>.

<sup>(4)</sup> COM(2003) 383; Bull. 7/8-2003, point 1.3.102.

<sup>(5)</sup> OJ C 250, 18.10.2003; Bull. 9-2003, point 1.3.46.

<sup>(6)</sup> COM(2003) 649; Bull. 10-2003, point 1.3.72.

mendations on possible initiatives to facilitate the textile and clothing sector's adjustment to the major challenges.

**320. *Cosmetics.*** With Directive 2003/15/EC, adopted on 27 February (Table I), the European Parliament and the Council amended for the seventh time Council Directive 76/768/EEC on cosmetics. The new legislation has the following aims: to prohibit, in the Community, animal testing of such products or their ingredients and the marketing thereof and to improve consumer information in relation to the use of cosmetic products.

**321. *Recreational craft.*** With Directive 2003/44/EC, signed on 16 June (Table I), the European Parliament and the Council extended the scope of Directive 94/25/EC on recreational craft, particularly as regards the rules on noise and exhaust emissions.

**322. *Motor industry*** <sup>(1)</sup>. With Directive 2003/37/EC, signed on 26 May (Table I), the European Parliament and the Council recast Council Directive 74/150/EEC <sup>(2)</sup> on the type-approval of agricultural and forestry tractors and their trailers and equivalent equipment in order to achieve full harmonisation at European level. On 14 July the Commission adopted a proposal for a directive which constitutes the second stage of the recasting of Directive 70/156/EEC <sup>(3)</sup> on the type-approval of motor vehicles and their trailers (Table I). Among the aims of this proposal is to extend the principle of Community type-approval to all categories of vehicle, with a view to achieving total harmonisation of national legislation by replacing the national procedures by a single type-approval procedure based on the conformity of vehicles under more than 50 separate directives. On 27 and 28 March the Commission proposed codifying Council Directives 93/32/EEC <sup>(4)</sup> on passenger handholds on two-wheel motor vehicles (Table I) and 93/31/EEC <sup>(4)</sup> on stands for two-wheel motor vehicles (Table I). On 5 September the Commission proposed strengthening the Community requirements aimed at limiting polluting emissions from new heavy-duty engines for use in vehicles (→ point 612).

With Directive 2003/20/EC of 8 April (Table I), the European Parliament and the Council extended compulsory seat-belt use to all vehicles in which seats are equipped with seat belts, and required the use of approved restraint systems adapted to the morphology of children in light vehicles. On 20 June the Commission adopted three new proposals for directives making the installation of seat belts compulsory in all motor vehicles and prohibiting the use of side-facing seats (Table I). On 13 June it proposed extending to lighter commercial vehicles Directive 92/24/EEC on speed limitation devices for certain categories of motor vehicles (Table I).

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<sup>(1)</sup> <http://europa.eu.int/comm/enterprise/automotive/index.htm>.

<sup>(2)</sup> OJ L 84, 28.3.1974.

<sup>(3)</sup> OJ L 42, 23.2.1970.

<sup>(4)</sup> OJ L 188, 29.7.1993.

In addition, the European Parliament and the Council each gave their agreement with a view to the adoption of a directive on rear-view mirrors and supplementary systems for indirect vision (Table I), which is intended to improve the safety of road users by amending the construction requirements for certain components and introducing new technologies to extend drivers' field of vision and reduce blind spots around vehicles.

As regards the safety of pedestrians and other vulnerable road users, on 17 November the European Parliament and the Council adopted Directive 2003/102/EC relating to the protection of pedestrians and other vulnerable road users before and in the event of a collision with a motor vehicle (Table I). This directive lays down requirements for the construction of motor vehicles so as to mitigate the severity of the injuries incurred in the event of a collision with these vehicles. In addition, on 10 October the Commission adopted a new proposal for a directive relating to the use of frontal protection systems on motor vehicles, with a view to improving the protection of road users in the event of a collision (Table I).

**323.** *Food industry.* Work has started on an exercise to codify and simplify the legislation applying to trade in processed agricultural products. Discussions with several trading partners were concluded in the context of bilateral negotiations aimed at liberalising the tariff arrangements for trade in processed agricultural products. Further information on trade in these products can be found in particular in Section 5 ('Pre-accession strategy') of Chapter II (→ point 59).

## E-commerce <sup>(1)</sup>

**324.** *General approach.* In a resolution of 12 February <sup>(2)</sup>, the European Parliament welcomed the Commission communication of 29 November 2001 on the impact of the e-economy on European enterprises <sup>(3)</sup>.

**325.** *Impact on business.* In a communication of 27 March <sup>(4)</sup>, drawing conclusions from the 'Go Digital' <sup>(5)</sup> initiative, the Commission stressed the shift from promoting e-commerce to a more holistic view of e-business, involving the restructuring of business processes to make best use of digital technologies. It encouraged the Member States and the regions to review their e-business strategies in support of small and medium-sized enterprises (SMEs), setting new and more innovative targets in the context of changing e-business activities. On 13 May <sup>(6)</sup> this communication was welcomed by the Council, which called on the Commission and the current and future Member States to set up a

<sup>(1)</sup> <http://europa.eu.int/comm/enterprise/ict/index.htm>.

<sup>(2)</sup> Bull. 1/2-2003, point 1.3.128.

<sup>(3)</sup> COM(2001) 711; 2001 General Report, point 318.

<sup>(4)</sup> COM(2003) 148; Bull. 3-2003, point 1.3.71.

<sup>(5)</sup> COM(2001) 136; 2001 General Report, point 316; Internet (<http://europa.eu.int/comm/enterprise/ict/policy/godigital.htm>).

<sup>(6)</sup> OJ C 149, 26.6.2003; Bull. 5-2003, point 1.3.71.

European e-business support network for SMEs in the field of online economic activity under the eEurope 2005 action plan <sup>(1)</sup>.

### **Public services (IDA) <sup>(2)</sup>**

**326.** On 7 March the Commission presented a report on the mid-term evaluation of the IDA II programme on trans-European networks for the electronic interchange of data between administrations <sup>(3)</sup>. On 8 July it proposed pursuing the programme, which was to run until 31 December 2004, while introducing measures concerning the interoperable delivery of pan-European e-government services to public administrations, businesses and citizens (IDABC) (Table I). The aim is to enable the Member States and the Community, acting within their respective areas of responsibility, to implement Community policies and actions, while securing substantial benefits for the parties concerned.

### **Tourism, commerce**

**327.** On 21 November the Commission adopted a communication entitled 'Basic orientations for the sustainability of European tourism' <sup>(4)</sup>, which sets out the broad features of the planned approach and the measures involved and describes how the Community can contribute to the sustainability of tourism in Europe. The Commission focuses on the sectors in which specific Community action can generate added value and point to the action that can be taken by other stakeholders to make progress in this field.

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<sup>(1)</sup> COM(2002) 263; 2002 General Report, point 331.

<sup>(2)</sup> <http://europa.eu.int/comm/enterprise/ida/index.htm>.

<sup>(3)</sup> COM(2003) 100; Bull. 3-2003, point 1.3.95. Previous report: COM(2001) 507; 2001 General Report, point 423.

<sup>(4)</sup> COM(2003) 716; Bull. 11-2003, point 1.3.60.

*Section 8***Research and technology policy <sup>(1)</sup>****Overview**

328. *The implementation of the sixth framework programme, the key instrument of Community research policy, was the prime event in 2003 with the launch of several hundred projects. The sixth framework programme, which has a budget of EUR 17.5 billion for the period 2002–06, is helping to make a reality of the European research area. This major advance in real terms is accompanied by several important developments in Community research policy, primarily in the space sector (agreement with the European Space Agency), life sciences (decision on stem cells) and nuclear fusion (international ITER project).*

**Community RTD policy****Coordination and general developments**

329. *European space policy.* In a Green Paper of 21 January <sup>(2)</sup>, the Commission launched a debate on the future of Europe in space with a view to enhancing the contribution of space to European policies and the lives of citizens. In view of the favourable response from the Council on 13 May <sup>(3)</sup>, the European Economic and Social Committee on 19 June <sup>(4)</sup> and the European Parliament on 9 October <sup>(5)</sup>, a White Paper was adopted on 11 November <sup>(6)</sup>. In it the Commission discusses the following main issues: apart from a substantial increase in spending on space, it is essential to ensure Europe's independent access to space, to develop space technology, to promote space exploration, to attract more young people into careers in science and to strengthen European excellence in space science. Furthermore, the European Space Agency (ESA) and the European Union signed a cooperation agreement on 25 November (Table III), with the aim of facilitating joint activities by ironing out the differences between the Community's approach and legal framework on the one hand and ESA's intergovernmental structure on the other. In a resolution of 15 May <sup>(7)</sup>, the European Parliament expressed concern at the crisis affecting the EU's space sector and called on the EU Member States which are members of ESA to put the common European interest first in order to ensure that the Galileo satellite radionavigation programme is implemented rapidly (→ point 667).

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/research/index\\_en.cfm](http://europa.eu.int/comm/research/index_en.cfm)).

<sup>(2)</sup> COM(2003) 17; Bull. 1/2-2003, point 1.3.129.

<sup>(3)</sup> Bull. 5-2003, point 1.3.74.

<sup>(4)</sup> OJ C 220, 16.9.2003; Bull. 6-2003, point 1.3.67.

<sup>(5)</sup> Bull. 10-2003, point 1.3.76.

<sup>(6)</sup> COM(2003) 673; Bull. 11-2003, point 1.3.64.

<sup>(7)</sup> Bull. 5-2003, point 1.3.75.

In a resolution of 9 October <sup>(1)</sup>, Parliament noted that, despite the growing gap between the public resources devoted to space policy by the USA and Europe, progress had been made in EU space policy, such as the abovementioned agreement with ESA or the specific role reserved to the EU in this area by the draft European Constitution.

**330. *Regional dimension.*** Through a call for proposals published on 1 August <sup>(2)</sup>, the Commission launched a pilot project with a budget of EUR 2.5 million in 2003. The aim is to develop experimental activities involving networks of European regions, with a view to creating ‘regions of knowledge’ (KnowREG) which will provide a blueprint for regional implementation of the Lisbon strategy <sup>(3)</sup>, thereby confirming the central role of knowledge in regional development. In addition, initiatives to support e-business in Europe’s regions continued with two main results: firstly, the Commission and the European Parliament organised a debate from 19 to 21 October in which Europe’s outermost regions participated; secondly, the first call under the information society programme of the sixth framework programme led to the selection of a project with a budget of EUR 10 million to promote the implementation of e-business at local level.

**331. *Life science and biotechnology.*** In a communication of 5 March <sup>(4)</sup> following a call by the Barcelona European Council <sup>(5)</sup>, the Commission assessed the progress made with implementing Europe’s strategy on life sciences and biotechnology which had been defined in 2002 <sup>(6)</sup>. It addresses in particular developments in research, competitiveness, innovation, intellectual property, genetically modified organisms (GMOs), relations between science and society and the international dimension. Although stressing that progress has been made, the Commission points out that it is necessary to step up research and to make more financial resources available, and that the EU is lagging behind in the area of GMOs. The European Economic and Social Committee delivered an opinion on the communication on 16 July <sup>(7)</sup> and it was discussed in the Council conclusions of 22 September <sup>(8)</sup>.

**332. *Activity report.*** On 20 March <sup>(9)</sup>, the Commission adopted a report on the research and technological development activities of the European Union between January 2001 and March 2002.

**333. *Statistics.*** The production and development of Community statistics on science and technology are dealt with in Section 2 (‘Statistical system’) of this chapter (→ point 145).

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<sup>(1)</sup> Bull. 10-2003, point 1.3.76.

<sup>(2)</sup> OJ C 182, 1.8.2003.

<sup>(3)</sup> Bull. 3-2000, point 1.7.

<sup>(4)</sup> COM(2003) 96; Bull. 3-2003, point 1.3.77.

<sup>(5)</sup> Bull. 3-2002, point 1.38; 2002 General Report, point 290.

<sup>(6)</sup> OJ C 55, 2.3.2002; COM(2002) 27; 2002 General Report, point 290.

<sup>(7)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.3.107.

<sup>(8)</sup> Bull. 9-2003, point 1.3.52.

<sup>(9)</sup> COM(2003) 124; Bull. 3-2003, point 1.3.78. Previous report: COM(2001) 756; 2001 General Report, point 324.

## European research area (ERA) <sup>(1)</sup>

334. *General developments.* In an opinion of 26 February <sup>(2)</sup> on the Commission communication of 16 October 2002 calling for the injection of new momentum in the ERA <sup>(3)</sup>, the European Economic and Social Committee made several recommendations relating, among other things, to researcher mobility, the coordination of Member States' research policies and interregional cooperation. The latter was also championed by the Committee of the Regions which, in an opinion of 9 April <sup>(4)</sup>, advocated the creation of a true 'internal market' in research and stressed that Europe should seek to follow its own, innovative path and focus on non-military research.

335. *Researchers.* Taking the ERA's objective to develop and enhance the human resource potential of European research as a starting point the Commission adopted a communication entitled 'Researchers in the European research area: one profession, multiple careers' on 18 July <sup>(5)</sup>. It proposes initiating a structural dialogue between the various players and suggests launching specific actions such as the drafting of a European charter and a code of conduct, with the aim of providing better overall coordination of efforts to improve recognition of the research profession and the careers of researchers, and of establishing a European labour market in this area. The Commission's approach was welcomed by the Council on 10 November <sup>(6)</sup>.

336. *Poverty-related diseases.* On 16 June, the European Parliament and the Council adopted Decision No 1209/2003/EC (Table I) on Community participation in a research and development programme aimed at developing new clinical interventions to combat HIV/AIDS, malaria and tuberculosis through a long-term partnership between Europe and the developing countries. The Community's maximum financial contribution to this programme, which is being carried out by several Member States and Norway, is EUR 200 million, which will be supplemented by a further EUR 200 million from the Member States and potential additional funding of EUR 200 million from other, both public and private, sources.

337. *Investments in research.* In response to the call by the Barcelona European Council <sup>(7)</sup>, and following on from its communication of 11 September 2002 on the prospects for bringing investment in research and development in the European Union close to 3 % of gross domestic product by 2010 <sup>(8)</sup>, which communication was favourably received by the European Economic and Social Committee on 26 February <sup>(9)</sup>, by the Committee

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<sup>(1)</sup> [http://europa.eu.int/comm/research/era/index\\_en.html](http://europa.eu.int/comm/research/era/index_en.html).

<sup>(2)</sup> OJ C 95, 23.4.2003; Bull. 1/2-2003, point 1.3.130.

<sup>(3)</sup> COM(2002) 565; 2002 General Report, point 292.

<sup>(4)</sup> OJ C 244, 10.10.2003; Bull. 4-2003, point 1.3.42.

<sup>(5)</sup> COM(2003) 436; Bull. 7/8-2003, point 1.3.108.

<sup>(6)</sup> OJ C 282, 25.11.2003; Bull. 11-2003, point 1.3.63.

<sup>(7)</sup> Bull. 3-2002, point I.37; 2002 General Report, point 294.

<sup>(8)</sup> COM(2002) 499; 2002 General Report, point 294.

<sup>(9)</sup> OJ C 95, 23.4.2003; Bull. 1/2-2003, point 1.3.131.

of the Regions on 9 April <sup>(1)</sup>, and by the Council on 22 September <sup>(2)</sup>, the Commission presented an action plan on 30 April <sup>(3)</sup> focusing on four themes: coordinating the efforts of the current Member States and the accession countries, in particular by creating ‘European technology platforms’; improving the effectiveness of public support to research through actions to promote the career of researchers and to bring public research and industry closer together; increasing the level of public funding for research (budgets, State aid, public procurement); improving the research and technological innovation environment in Europe, in particular with regard to intellectual property protection, the regulation of markets, the competition rules and the fiscal environment. In October <sup>(4)</sup>, the Brussels European Council called for investment to be mobilised in areas such as research infrastructure, science parks, etc. It also stressed the need to improve coordination between public research and research funded by the private sector. The European Parliament adopted its stance on the Commission’s action plan on 18 November <sup>(5)</sup>, followed by the Committee of the Regions on 20 November <sup>(6)</sup>.

**338.** *Indicators.* On 17 March, the Commission published *the Third European report on science and technology indicators 2003* <sup>(7)</sup>, which gives a detailed, comparative snapshot of investment and the performance of European research systems in the knowledge-based society. This report supplements the publication of *Key indicators*, presented on 25 November.

### **Fifth framework programme 1998–02** <sup>(8)</sup>

**339.** The year 2003 was devoted to continuing and evaluating the actions and projects carried out under the fifth framework programme. At the end of 2003, 7 000 projects from the fifth framework programme were still in progress.

### **Implementation of the sixth framework programme 2002–06** <sup>(9)</sup>

**340.** *General approach.* The year 2003 was the first year of effective implementation of the sixth framework programme. The Commission therefore adopted, in the first few months of the year, the model contracts and guides to the proposal evaluation and selection procedures needed for the execution of the specific programmes. Apart from its explicit contribution to the establishment of the ERA, the sixth framework programme was also

<sup>(1)</sup> OJ C 244, 10.10.2003; Bull. 4-2003, point 1.3.42.

<sup>(2)</sup> OJ C 250, 18.10.2003; Bull. 9-2003, point 1.3.53.

<sup>(3)</sup> COM(2003) 226; Bull. 4-2003, point 1.3.43.

<sup>(4)</sup> Bull. 10-2003, point I.7 and I.12.

<sup>(5)</sup> Bull. 11-2003, point 1.3.66.

<sup>(6)</sup> Bull. 11-2003, point 1.3.67.

<sup>(7)</sup> <http://www.cordis.lu/indicators>.

<sup>(8)</sup> 2002 General Report, points 229 et seq.; <http://europa.eu.int/comm/research/fp5.html>.

<sup>(9)</sup> [http://europa.eu.int/comm/research/fp6/index\\_en.html](http://europa.eu.int/comm/research/fp6/index_en.html).

innovative in introducing two major implementation instruments: the 'networks of excellence' and the 'integrated projects'.

341. *Specific approaches.* On 9 July, the Commission proposed amendments to the specific programme 'Integrating and strengthening the European research area', with the aim of introducing special conditions for deciding on the Community funding of research activities involving the procurement of stem cells from human supernumerary embryos (Table II).

342. *International dimension.* International scientific and technological cooperation has made great strides, mainly as a result of opening up the thematic priorities of the sixth framework programme to third-country participation, with an ad hoc budget of EUR 285 million, and of third-country researchers being given access to training and mobility grants.

### **Life sciences, genomics and biotechnology for health**

343. Following the call for proposals published at the end of 2002 <sup>(1)</sup>, 635 proposals were received; 145 were selected and placed on the priority funding lists. These proposals show the good coverage of the work programme (85 % of the subjects covered). Approximately 80 % of the available budget has been allocated to networks of excellence and integrated projects, covering 53 specific scientific themes from the work programme. In the framework of the call for specific activities covering a wider field of research <sup>(1)</sup>, 32 proposals were received in the field of health and eight projects totalling EUR 26.1 million were selected.

### **Information society technologies**

344. *User-friendly information society.* During the first year of implementation of the sixth framework programme, the information society technologies (IST) priority gave rise to over 2 800 proposals, integrated projects, networks of excellence, specific targeted research projects, coordination actions and specific support actions. The corresponding projects are in the process of being selected. These operations are designed to increase support for developing technologies of key importance to the competitiveness of European industry and to enable citizens to derive greater benefit from information society services. The IST priority must also continue to contribute to EU policies concerning the information society, in particular the eEurope initiative (→ point 380) and the creation of the European research area (→ points 344 et seq.).

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<sup>(1)</sup> OJ C 315, 17.12.2002.

## Nanotechnologies, materials and production processes

345. A total of 990 proposals were received following the first call <sup>(1)</sup>, of which 51 proposals for networks of excellence and integrated projects were selected. Following a joint call on manufacturing, products and services engineering, 70 proposals for networks of excellence and integrated projects were received, six of which went through to the second stage of the evaluation procedure. Of the 36 proposals for integrated projects submitted following a call reserved to SMEs <sup>(1)</sup>, seven were selected and will share a budget of EUR 40 million. In addition, 457 proposals relating to the traditional instruments were received; 93 of these were selected, including six in the framework of the joint call. These projects will receive funding of EUR 150 million. Furthermore, the ‘Matap’ action plan (manufacturing technology action plan) was adopted at a conference in Milan on 1 and 2 December to provide research and innovation support to European manufacturing industry.

## Aeronautics and space

346. Following the first call <sup>(1)</sup>, 148 proposals were received for aeronautics, of which nine integrated projects and one network of excellence were selected. In the space sector, of a total of 27 proposals submitted, three integrated projects and one network of excellence were proposed for funding. With regard to the traditional instruments, 37 targeted research projects and two coordination actions were selected for aeronautics together with two targeted research projects and four specific support actions for space. Community funding amounts to EUR 241.3 and EUR 39.2 million respectively for aeronautical and space research. A part of the work programme is dedicated to Galileo (→ point 667) and is implemented by the Galileo joint undertaking. In 2003, the joint undertaking received a Community contribution of EUR 18.9 million to finance projects under the first call which was published in July and attracted 30 proposals.

## Food quality and safety

347. Following the first call <sup>(1)</sup>, 214 proposals were received and 36 projects covering all the thematic areas were selected for financing. The first contracts were signed at the end of the year and the work programme has been updated for 2004. Of the projects selected, one network of excellence concerns the links between asthma and allergy, another concerns the prevention, control and management of prion-associated diseases and there is an integrated project on genomic, metabolic and diabetic issues.

## Sustainable development, global change and ecosystems

348. In the field of *global change and ecosystems*, 184 proposals were received following the first call <sup>(1)</sup> and 39 were selected for Community funding of EUR 170 million. The

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<sup>(1)</sup> OJ C 315, 17.12.2002.

proposals included eight integrated projects and four networks of excellence covering global change (four projects), water (two projects), natural disasters (two projects), and ecosystems and biodiversity (four projects). There are targeted projects and coordination actions on river-basin twinning, biodiversity and measuring sustainable development. A number of projects will also provide additional support to Community policies, particularly as regards assessing the impact of policies and technologies on the environment and the economy.

**349.** In the *energy field*, 250 proposals were received following the first call <sup>(1)</sup>, and 46 projects were proposed for financing: 14 integrated projects, four networks of excellence, 20 targeted research projects, six coordination actions and two specific support actions. These projects concern renewable energy sources and their industrial applications, particularly biomass and hydrogen. A photovoltaic technology platform was set up on 4 December. With regard to short- and medium-term research, which focuses on supporting energy policy, a total of 114 proposals were evaluated, of which 22 were recommended to receive a Community contribution of EUR 55 million.

**350.** Following the first call in the field of transport <sup>(1)</sup>, 40 proposals were selected for negotiation (eight integrated projects, four networks of excellence, 23 targeted research projects and five coordination actions) for Community funding of the order of EUR 172.9 million. Themes figuring in this first call include: environmental performance of road transport (Kyoto objective), the competitiveness of the shipping industry, and the improved interoperability and capacity of rail transport. A road transport technology platform has also been launched (Ertrac — European Road Transport Advisory Council). In the field of research to support European transport policy, 11 proposals (three integrated projects, six specific targeted research projects and two coordination actions) were selected for Community funding totalling EUR 41.1 million. The projects take account of the objectives of the White Paper on European transport policy for 2010 <sup>(2)</sup> and cover intermodal transport, maritime transport and road safety.

### **Citizens and governance in a knowledge-based society**

**351.** Following the first call <sup>(1)</sup>, 36 proposals were selected (two integrated projects, three networks of excellence, 26 targeted research projects and five coordination actions) for Community funding totalling EUR 53 million. The themes emerging under the new instruments include the new governance modes, liberty and security in Europe in a changing environment, research and innovation policies in the construction of the European research area, and migration, international integration and social cohesion in Europe.

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<sup>(1)</sup> OJ C 315, 17.12.2002.

<sup>(2)</sup> COM(2001) 370; 2001 General Report, point 683.

### **Policy support and anticipating scientific and technological needs**

352. This new activity seeks to develop the Union's scientific potential, to support Community policies and to address urgent issues and needs. Following the first call <sup>(1)</sup>, 212 proposals were received and 83 selected. A second call was published on 3 July <sup>(2)</sup> in response to the SARS epidemic (severe acute respiratory syndrome). In the light of the results of the first call and the new political priorities in areas such as agriculture and the environment, a third call was published on 10 October <sup>(3)</sup>.

353. The year 2003 also witnessed the launch of another new activity: NEST (new and emerging science and technology), the aim of which is to support unconventional and visionary research with the potential to open new fields for European science and technology and to address problems not yet covered by science. Following the first call <sup>(4)</sup>, 16 specific targeted research projects and eight specific support actions were selected.

### **Horizontal research activities involving SMEs**

354. Following the call published in December 2002 <sup>(1)</sup>, 652 cooperative research proposals involving 3 533 SMEs were received and 122 proposals (18 %) were selected for negotiation. The first call for collective research projects, which enables research performers to carry out research work for industrial associations and groupings, was also published in December 2002 <sup>(1)</sup>. This gave rise to 125 proposals involving 939 SMEs, from among which 22 proposals (18 %) were selected for negotiation.

355. A call devoted to economic and technological intelligence <sup>(5)</sup> concerned the involvement of SMEs and groups of SMEs in the sixth framework programme, and more particularly in the integrated projects and networks of excellence. Some 115 proposals were received under this heading and 20 (17 %) were selected for negotiation.

### **Specific measures in support of international cooperation**

356. Following five calls <sup>(1)</sup>, specific support actions were launched for the Mediterranean countries, the western Balkans, the developing countries, Russia and the new independent States. The call for targeted research projects and concerted actions with partners from the Balkans, the Mediterranean countries and the developing countries attracted great interest in all the areas covered (environment, agriculture and health). In addition, a call was published for specific support actions in the accession countries, in order to promote their participation in the sixth framework programme and their integration in the European research area (→ point 375).

<sup>(1)</sup> OJ C 315, 17.12.2002.

<sup>(2)</sup> OJ C 155, 3.7.2003.

<sup>(3)</sup> OJ C 243, 10.10.2003.

<sup>(4)</sup> OJ C 47, 27.2.2003.

<sup>(5)</sup> OJ C 49, 1.3.2003.

## Research and innovation

357. Several networks launched in the 'Gate2Growth' initiative to spread good practice between innovation professionals in Europe reached critical mass in 2003. This has led among other things to the creation of 'ProTon Europe', a pan-European association of technology transfer professionals at public research institutes and universities. The European database of opportunities for investment in innovating companies has likewise continued its expansion, in spite of the difficult market conditions for early stage technology investment. The support granted to the European Venture Capital and Private Equity Association to launch an entrepreneurship education initiative on a European scale resulted in entrepreneurship courses being placed on the curriculum by the 168 participant universities. A new PAXIS phase has been running since January 2003 that includes 22 regions of excellence clustered into five operational networks, six cross-border projects and three accompanying measures. The 'European Day of the Entrepreneur (EDE)' was a pilot activity under PAXIS which mobilised more than 40 major European cities in awareness-raising activities promoting entrepreneurship. A PAXIS workshop on the subject of 'Excellence in innovative regions' was held in Turin in November.

## Human resources and mobility

358. Following the first calls for proposals for 'Marie Curie' actions<sup>(1)</sup>, the following were received in 2003: 336 proposals for research training networks (of which 52 were selected for financing); 741 proposals for early stage training fellowships and 251 proposals for the transfer of knowledge (of which 48 and 86 respectively were proposed for financing); 347 proposals for conferences and training courses (of which 35 were selected for financing); 1 877 proposals for intra-European mobility fellowships (of which 394 were selected); 287 and 438 proposals for incoming and outgoing international fellowships respectively (of which 42 and 57 respectively were proposed for financing); 210 proposals for excellence grants (of which 21 were selected); 43 proposals for chairs (of which 11 were selected); 87 proposals for excellence awards (which were allocated to five of them); 126 proposals for European reintegration grants (of which 68 were selected) and 42 proposals for international reintegration grants (of which 35 were proposed for financing).

## Research infrastructure

359. Following the first call, 158 proposals were received but only 24 were selected for negotiation in view of the available budget. The European Strategy Forum on Research Infrastructures (ESFRI) continued its activities, with the objective of putting in place a strategic approach and a coherent policy to facilitate the development, construction and utilisation of research infrastructure in Europe, primarily through multilateral initiatives.

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(1) OJ C 315, 17.12.2002.

## Science and society

360. Following the first call <sup>(1)</sup>, a total of 90 proposals were received, 14 of which were proposed for financing. Of the proposals received, 33 concerned the European Science Week and eight were selected for total funding of EUR 2.2 million. Of the 36 proposals received for the René Descartes prize, eight finalists were proposed. Some 16 proposals were received on ethics in science, seven of which were selected for Community financing of EUR 7.3 million. Thirty-six proposals were received for the European science education initiative, three of which were selected for negotiation.

## Support to the coordination of activities and the coherent development of research and innovation policies

361. Following publication of the call for proposals to implement the ERA-NET initiative, the purpose of which is to encourage networking and opening up of national and regional programmes, 72 proposals were received by the first closure date of 3 June, 32 of which (14 coordination actions and 18 specific support actions) were selected for total funding of EUR 35 million.

362. Five reports were published on the benchmarking of national research and innovation policies, covering the following themes: human resources, public and private investment, impact of research on competitiveness and employment, scientific and technical productivity, and promotion of scientific culture. The purpose of these benchmarking exercises is to improve the design and implementation of research and innovation policies at regional, national and European levels.

## Euratom activities

363. *Fission' programme.* Following the two published calls, 48 proposals were received and 29 projects proposed for financing: six integrated projects, two networks of excellence, five targeted research projects, six coordination actions, three specific support actions and seven training grants. These projects cover the three priorities equally: radioactive waste management, radiation protection, and other activities in the field of nuclear technologies and safety.

364. *Fusion' programme.* The research actions carried out under the sixth framework programme focus mainly on the international experimental thermonuclear reactor (ITER), more particularly the physics and technology, new fusion plant designs, socioeconomic studies and public information. On 27 March <sup>(2)</sup>, the Commission proposed amendments to the functioning of the 'Fusion' programme consultative committee set up by a Council decision of 16 December 1980 <sup>(3)</sup>. In a communication of 28 April <sup>(4)</sup>, it gave an update

<sup>(1)</sup> OJ C 315, 17.12.2002.

<sup>(2)</sup> COM(2003) 149; Bull. 3-2003, point 1.3.79.

<sup>(3)</sup> Fourteenth General Report, point 487.

<sup>(4)</sup> COM(2003) 215; Bull. 4-2003, point 1.3.47.

on the international negotiations concerning the ITER, in which negotiations China and the USA had joined in February. A cooperation agreement was also concluded between Euratom and Korea. On 27 November <sup>(1)</sup>, the Council chose the Cadarache site (France) as Europe's candidate for the construction of the ITER. Scientific exploitation of the Joint European Torus (JET) also continued under the EFDA agreements (European Fusion Development Agreement), which were extended until 2004.

### Direct actions carried out by the JRC for the European Community

**365.** *General approach.* The year 2003 was the first year of implementation of the JRC multiannual work programme (MWP) for the period 2003–06 (→ point 372). The JRC continued to provide support through this programme to its principal users, the Commission departments. On 22 July, its role as the Community reference laboratory for genetically modified organisms was confirmed.

**366.** *Chemical substances.* The JRC continued to provide support in the area of existing legislation on chemical substances, and contributed to the development of the new REACH system for the registration, evaluation and authorisation of chemical substances (→ point 311).

**367.** *Natural disasters.* Throughout the year, the JRC further developed its strategy for responding to crisis situations and providing rapid backup to the Commission and the Member States. In the framework of the European forest fire information system (EFFIS), the JRC provided the fire-fighting services with daily forest fire risk maps. It also deployed its remote sensing capability to evaluate the extent of the damage caused by forest fires. In addition, it continued work on developing a European flood forecasting system which provides for the exchange and harmonisation of information among the competent authorities throughout the European Union.

**368.** *Environment and sustainability.* The JRC provided monitoring support for the Community's policies on air, soil and water quality, the sustainable management of soil and water resources, and the environmental impact assessment of products throughout their life cycle. It focused on certain aspects of research on renewable energies and energy production from hydrogen, in particular by providing technical support to policy-makers in their efforts to build a more energy-efficient Europe.

**369.** *International cooperation.* The JRC's 'Enlargement' action specifically targeted the accession countries' needs through measures to increase their participation in all the relevant JRC networks and projects and to support the integration and subsequent implementation of European legislation in their national law. In 2003, the JRC received more than 80 visitors on mission from the future Member States. It continued to foster cooperation with scientific partners in the current and future Member States under the European

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<sup>(1)</sup> Bull. 11-2003, point 1.3.70.

research area initiative, giving improved access to its facilities and sharing its competence through networking with institutes, universities and industries in the countries concerned. In total, more than 1 000 partner organisations throughout the world were associated with the JRC's activities in 2003.

### **Direct actions carried out by the JRC for Euratom**

**370.** The JRC continued to provide the secretariat for the European Safeguards Research and Development Association (Esarda); it also continued operating the on-site laboratories at La Hague (France) and Sellafield (United Kingdom), and cooperation with Russia and the USA in the form of the trilateral disarmament initiative. The transfer of expertise through the provision of training was stepped up and the competencies of the JRC's Community reference Laboratory for Radionuclide Metrology were further exploited. Support projects for the accession countries to counteract illicit trafficking of nuclear materials were promoted. In the environment field, advanced particle measurement techniques were developed by the JRC to monitor contamination and detect possible clandestine nuclear activities. With regard to nuclear waste management, the Minor Actinide Laboratory was set up to provide remote access to processing facilities for highly active substances. The training of researchers in the nuclear sector continued in 2003. The Actinide User Laboratory hosted young scientists from the future Member States and organised a number of workshops and summer courses with the aim of attracting young researchers to the nuclear sector to prevent the loss of competence in the coming years.

On 5 December, the Commission proposed the adoption of a supplementary research programme to be implemented by the Joint Research Centre concerning the operation of the high flux reactor (HFR) in Petten (Netherlands) for three years from 1 January 2004 (Table II).

### **Technical research 'Coal and steel'**

**371.** As the ECSC Treaty had expired on 23 July 2002 <sup>(1)</sup>, the Council adopted a new research programme for the Research Fund for Coal and Steel on 1 February (→ points 125 and 802). Following publication of the call for proposals, with an annual submission deadline of 15 September, 116 proposals were received, including 40 for 'coal' research and 76 for 'steel' research; 60 proposals were put forward for funding totalling EUR 60 million (including 11 'coal' and 49 'steel' projects). In addition to implementing the research programme, other activities concerned the technical management and monitoring of 320 ECSC research contracts. A Committee for the Research Fund for Coal and Steel (COSCO) and two consultative committees were set up.

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<sup>(1)</sup> 2002 General Report, points 39 et seq.

## Joint Research Centre (JRC) <sup>(1)</sup>

372. The Joint Research Centre (JRC) continued to provide scientific and technical support to the implementation of Community policies. The JRC's multiannual work programme (2003–06) was adopted by the Commission on 20 March <sup>(2)</sup>. In keeping with this work programme, the JRC's activities in 2003 concentrated on three main themes: safety of food products, chemical substances and health; environment and sustainability; nuclear safety and security. These three themes were supplemented by horizontal activities on technology foresight, reference materials and measurements, public security and anti-fraud measures. In addition, 2003 was the first year in which the JRC's action plan for the ERA (European research area) was implemented, by means of the following measures: development of common EU scientific reference systems; enlargement and enhancement of networks; improved access to training and to the JRC's specialised infrastructure; assistance to the accession countries. On 16 April, the Commission adopted the JRC's annual report for 2002 <sup>(3)</sup>.

## International cooperation

373. *European cooperation.* On 25 November, the Commission proposed signature of the agreement to associate Switzerland in the sixth framework programme (Table III). The Commission also continued supporting European cooperation in the field of scientific and technical research (COST). A contract was signed on 26 August with the European Science Foundation, the organisation designated by COST to provide its secretariat.

374. *Nuclear energy.* A framework agreement for a multilateral environment programme in the nuclear field was signed with Russia (→ point 660), while the process of concluding an agreement with the Ukraine on the peaceful use of nuclear energy continued (→ point 660).

375. *Accession countries.* Following the call published on 2 April <sup>(4)</sup> for specific actions designed to support the accession countries' participation in the sixth framework programme, 204 proposals were received and 55 selected for financing. These actions cover among other things the organisation of conferences, networking and the creation of databases.

376. *Emerging economies and developing countries.* In order to establish a framework for scientific and technological research and thus extend the conduct of cooperation activities with each of the countries concerned in areas of common interest, scientific and technological cooperation agreements were signed with Morocco (Table III) and Tunisia

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<sup>(1)</sup> <http://www.jrc.cec.eu.int/>.

<sup>(2)</sup> SEC(2003) 325.

<sup>(3)</sup> COM(2003) 189; Bull. 4-2003, point 1.3.45.

<sup>(4)</sup> OJ C 79, 2.4.2003.

(Table III) on 26 June. An agreement was also signed with Israel on 13 May (Table III) with the aim of associating it in all the activities of the specific programmes of the sixth framework programme. Similar cooperation agreements were also concluded with Chile on 21 July (Table III) and negotiated with Brazil and Mexico.

**377.** *Countries of eastern Europe, the Caucasus and central Asia.* In addition to specific agreements on nuclear matters (→ point 374), the scientific and technological cooperation agreements with Russia and the Ukraine, which expired on 31 December 2002, were renewed for an additional period of five years on 6 November (Table III) and 7 October (Table III) respectively.

**378.** *Industrialised countries.* On 5 June, the Council adopted negotiating directives with a view to concluding a science and technology agreement with Japan (Table III). On 1 October, the Commission proposed conclusion of the act aimed at renewing the agreement for scientific and technological cooperation signed with the USA in 1998 (Table III). On 30 October <sup>(1)</sup>, it proposed approving Canada's accession to the 1992 agreement setting up an International Science and Technology Centre <sup>(2)</sup>, which the Council had endorsed on 8 December <sup>(3)</sup>. On 10 December <sup>(4)</sup>, at a conference held in Milan, the EU signed a cooperation agreement with the USA, Japan and China on research into problems concerning atmospheric pollution due to transport.

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<sup>(1)</sup> COM(2003) 648; Bull. 10-2003, point 1.3.79.

<sup>(2)</sup> OJ L 409, 31.12.1992.

<sup>(3)</sup> Bull. 12-2003, point 1.3.103.

<sup>(4)</sup> Bull 12-2003, point 1.3.102.

*Section 9***Information society** <sup>(1)</sup>**Overview**

379. *The year 2003 was marked at international level by the holding of the first phase of the United Nations World Summit on the Information Society, and there was significant progress at Community level, particularly with the setting up of a Network and Information Security Agency. The European Union continued to implement the eEurope 2005 action plan in order to promote access to the information society for all.*

**eEurope initiative** <sup>(2)</sup>

380. *eEurope action plans.* Legislative work continued on the Modinis multiannual programme (2003–05) <sup>(3)</sup> for the monitoring of the eEurope action plan, the dissemination of best practice and the improvement of network and information security (Table I). In a report of 11 February <sup>(4)</sup>, the Commission welcomed the success of the ‘eEurope 2002’ <sup>(5)</sup> action plan and the recent connection to the Internet of a large number of households, businesses and schools. On 18 June <sup>(6)</sup>, the European Economic and Social Committee approved the Commission’s conclusions. The European Parliament gave its opinion on the implementation of the eEurope 2005 <sup>(7)</sup> action plan on 12 February <sup>(8)</sup> and emphasised the need for widespread and democratic access to the information society, in particular by deploying broadband infrastructure, the responsibility for which lies with the Member States. On the same day <sup>(9)</sup>, the Committee of the Regions undertook a comparative evaluation of the objectives and achievements of the two action plans and stressed the need to promote wide cooperation between administrations, and between administrations and small and medium-sized enterprises. On 18 February <sup>(10)</sup> the Council called on the Member States to work towards the effective implementation of ‘eEurope 2005’. In this context, on 17 September <sup>(11)</sup>, the Commission set out various scenarios for the transition in the Member States from analogue to digital broadcasting.

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/information\\_society/index\\_en.htm](http://europa.eu.int/information_society/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/information\\_society/eeurope/2005/index\\_en.htm](http://europa.eu.int/information_society/eeurope/2005/index_en.htm).

<sup>(3)</sup> 2002 General Report, point 331.

<sup>(4)</sup> COM(2003) 66; Bull. 1/2-2003, point 1.3.138.

<sup>(5)</sup> COM(2000) 330; 2000 General Report, points 318 and 319.

<sup>(6)</sup> O J C 220, 16.9.2003; Bull. 6-2003, point 1.3.78.

<sup>(7)</sup> COM(2002) 263; 2002 General Report, point 331.

<sup>(8)</sup> Bull. 1/2-2002, point 1.3.141.

<sup>(9)</sup> O J C 128, 29.5.2003; Bull. 1/2-2003, point 1.3.142.

<sup>(10)</sup> O J C 48, 28.2.2003; Bull. 1/2-2003, point 1.3.143.

<sup>(11)</sup> COM(2003) 541; Bull. 9-2003, point 1.3.60.

In conclusions adopted on 20 November <sup>(1)</sup>, the Council endorsed the Commission's analysis. The importance of developing telecommunications to stimulate growth in an enlarged Europe was reiterated at the European Council meeting of 16 and 17 October <sup>(2)</sup>, which stressed the need for the availability of widespread broadband.

**381.** *eContent.* In a communication of 10 October <sup>(3)</sup>, the Commission took note of the mid-term evaluation of this programme encouraging the use of European digital content on global networks and the promotion of linguistic diversity in the information society.

**382.** *Accessibility of public websites* <sup>(4)</sup>. In a resolution adopted on 6 February <sup>(5)</sup> on e-accessibility, the Council called on the Member States to remove the technical and legal barriers to the effective participation of people with disabilities in the knowledge-based society.

**383.** *Public sector documents.* Legislative work continued concerning a proposal for a directive aimed at ensuring a minimum set of harmonised rules concerning the reuse of public sector information (Table I).

**384.** *Safer use of the Internet.* Following the expiry in 2002 of the multiannual Community action plan on promoting safer use of the Internet by combating illegal and harmful content on global networks <sup>(6)</sup>, the European Parliament and the Council decided, on 16 June, to extend the plan, which is aimed at the protection of children and minors, until 31 December 2004, and to allocate EUR 38.3 million for its implementation (Table I). In an evaluation presented on 3 November <sup>(7)</sup>, the Commission concluded that the action plan had had a positive impact and that it should be extended.

**385.** *Information society and other Community policies.* On 15 July, the Council gave its opinion on building social and human capital in the knowledge society, in particular by networking between higher education, centres of excellence and research institutions (→ point 149). Information society services are dealt with in Section 5 ('Internal market') of this chapter (→ point 202).

**386.** *Cybercrime.* Information on action to combat cybercrime is provided in Section 1 ('Area of freedom, security and justice') of Chapter V (→ points 529 et seq.).

**387.** *eLearning.* Information on the eLearning initiative is provided in Section 3 ('Education and culture') of Chapter V (→ point 558).

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<sup>(1)</sup> Bull. 11-2003, point 1.3.76.

<sup>(2)</sup> Bull. 10-2003, point I.6.

<sup>(3)</sup> COM(2003) 591; Bull. 10-2003, point 1.3.83.

<sup>(4)</sup> [http://europa.eu.int/information\\_society/topics/citizens/accessibility/index\\_en.htm](http://europa.eu.int/information_society/topics/citizens/accessibility/index_en.htm).

<sup>(5)</sup> OJ C 39, 18.2.2003; Bull. 1/2-2003, point 1.3.144.

<sup>(6)</sup> Decision No 276/1999/EC (OJ L 33, 6.2.1999; 1999 General Report, point 423).

<sup>(7)</sup> COM(2003) 653; Bull. 11-2003, point 1.3.75.

388. *E-business*. In the context of the action line ‘A dynamic environment for e-business’, the *E-business showcases* report was published in September, and two projects concerning e-business interoperability (Athena and Interop) were launched. Lastly, a conference on ‘E-challenges’ relating to applications, in particular information society e-business technologies, was held in Bologna.

## Electronic communications

389. *Electronic communications networks and services*. On 11 February <sup>(1)</sup>, the Commission reminded the Member States of the need to rapidly complete the process of defining and implementing the measures adopted in March 2002 <sup>(2)</sup> in the sector of electronic communications. On 6 March, the Council agreed with this position <sup>(3)</sup>. In a communication of 27 March on the follow-up to the ‘Go Digital’ initiative, the Commission emphasised the need for the effective and productive integration of information and communication technologies into business processes (→ point 324). On 18 November <sup>(4)</sup>, the European Parliament congratulated the Commission on its eighth report on the telecommunications regulatory package <sup>(5)</sup>. In particular, it called upon the Commission to ensure the smooth implementation of the new package of directives on electronic communications <sup>(6)</sup>. On 19 November <sup>(7)</sup>, the Commission adopted its ninth report on the electronic communications (hitherto telecommunications) markets. In it, the Commission urges those Member States which have not yet done so to incorporate into their national legislation the package of directives <sup>(8)</sup> adopted in 2002, something which they should have done by 24 July. Lastly, it noted greater growth on this market as a result of mobile communications and access to broadband Internet.

Since September, under Article 7 of the package framework directive <sup>(9)</sup> adopted in 2002, the Commission has taken seven decisions concerning the lack of barriers to the smooth functioning of the single market and the compatibility with Community law of proposed legislation by the national authorities. Under this directive, the European Regulators Group met on four occasions.

390. *Network and information security*. On 18 February <sup>(10)</sup>, the Council stated that it was in favour of developing a comprehensive European strategy for the security of information networks, and welcomed the Commission’s intention of applying an open method

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<sup>(1)</sup> COM(2003) 65; Bull. 1/2-2003, point 1.3.147.

<sup>(2)</sup> Directive 2002/21/EC (OJ L 108, 24.4.2002; 2002 General Report, point 341).

<sup>(3)</sup> Bull. 3-2003, point 1.3.89.

<sup>(4)</sup> Bull. 11-2003, point 1.3.81.

<sup>(5)</sup> COM(2002) 695; 2002 General Report, point 339.

<sup>(6)</sup> 2002 General Report, point 341.

<sup>(7)</sup> COM(2003) 715; Bull. 11-2003, point 1.3.82.

<sup>(8)</sup> 2002 General Report, point 341.

<sup>(9)</sup> Directive 2002/21/EC (OJ L 108, 24.4.2002).

<sup>(10)</sup> OJ C 48, 28.2.2003; Bull. 1/2-2003, point 1.3.136.

of coordination of Member States' ongoing actions. In addition, on 11 February, the Commission proposed setting up a European network and information security agency <sup>(1)</sup>, which would have advisory and coordinating functions in the context of which it would gather and analyse data on information security (Table I). On 20 November <sup>(2)</sup>, the Council reached agreement on questions relating to the establishment of this agency. On 13 December, the Heads of State or Government, meeting in the margins of the European Council, decided that it would be set up in Greece.

**391.** *Trans-European telecommunications networks.* Information on trans-European telecommunications networks, and in particular the IDA programme, is provided in Sections 7 ('Enterprise policy') and 12 ('Trans-European networks') of this chapter (→ points 326 and 429 et seq.).

**392.** *E-economy and e-government.* On 12 February, the European Parliament gave its opinion on the Commission communication on the impact of the e-economy on European businesses (→ point 325). On 13 May, the Council adopted conclusions on adapting e-business policies (→ point 324). On 7 and 8 July, a Ministerial Conference on e-government was held in Como (Italy) <sup>(3)</sup>. The ministers responsible for public administration and the information society in the Member States, the future Member States, the accession candidate countries, the EFTA countries and third countries reaffirmed their commitment to online administration. Commissioner Liikanen also attended the conference. On 26 September <sup>(4)</sup>, the Commission indicated the challenges to be addressed with a view to achieving full application of online administration (e-government) and proposed 18 measures for speeding up the development of online administration. On 20 November <sup>(5)</sup>, the Council adopted conclusions on e-government in which it advocated stepping up measures to promote the supply of pan-European services, innovation and the exchange of best practices.

**393.** *E-health.* On 22 and 23 May the Ministerial Conference 'E-health 2003' was held in Brussels. It was attended by the ministers responsible for health and telecommunications from the Member States, the acceding countries and the EFTA countries. Commissioners Byrne and Liikanen also attended. The participants discussed how technology can assist in delivering better and more cost-effective healthcare. In the final ministerial declaration produced, the ministers expressed their renewed commitment to developing national and regional e-health implementation plans, and to exploring the possibilities of coordinating these at European level.

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<sup>(1)</sup> <http://europa.eu.int/scadplus/leg/fr/lvb/l24153.htm>.

<sup>(2)</sup> Bull. 11-2003, point 1.3.83.

<sup>(3)</sup> [http://europa.eu.int/information\\_society/eeurope/egovconf/text\\_en.htm](http://europa.eu.int/information_society/eeurope/egovconf/text_en.htm).

<sup>(4)</sup> COM(2003) 567; Bull. 9-2003, point 1.3.63.

<sup>(5)</sup> Bull. 11-2003, point 1.3.77.

394. *Emergency number 112*. On 25 July, the Commission adopted a recommendation <sup>(1)</sup> which will help the emergency services to locate people dialling the pan-European emergency number 112.

395. *Statistics*. On 25 August, the Commission proposed a legal framework for providing statistics on the information society (→ point 145).

## Information society technologies <sup>(2)</sup>

396. *Third-generation mobile communications systems*. On 12 February <sup>(3)</sup>, the European Parliament subscribed to the Commission's approach <sup>(4)</sup> aimed at the full roll-out of third-generation mobile telecommunications in Europe.

397. *Intelligent vehicle safety systems*. With a view to providing new and integrated solutions to the problems of road safety, on 15 September <sup>(5)</sup>, the Commission identified actions to take to accelerate the development, large-scale deployment and use of intelligent vehicle safety systems in Europe, based on information and communication technologies (ICTs).

## Digital content

398. *Digital television*. In response to the requests made by the Barcelona <sup>(6)</sup> and Seville <sup>(7)</sup> European Councils, on 9 July <sup>(8)</sup> the Commission identified the barriers to widespread access to new technologies with regard to promoting open technological platforms in digital television and third-generation communications. The Council endorsed the Commission's analysis on 20 November <sup>(9)</sup>.

## Regional and international aspects

399. *Cooperation with the future Member States*. The Commission proposed to conclude bilateral agreements with the future Member States in order to establish a procedure for the prior notification of technical regulations and rules on information society

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<sup>(1)</sup> Recommendation 2003/558/EC (OJ L 189, 29.7.2003).

<sup>(2)</sup> <http://www.cordis.lu/ist/home.html>.

<sup>(3)</sup> Bull. 1/2-2003, point 1.3.148.

<sup>(4)</sup> COM(2002) 301; 2002 General Report, point 346.

<sup>(5)</sup> COM(2003) 542; Bull. 9-2003, point 1.3.66.

<sup>(6)</sup> 2002 General Report, point 1085.

<sup>(7)</sup> 2002 General Report, point 1086.

<sup>(8)</sup> COM(2003) 410; Bull. 7/8-2003, point 1.3.115.

<sup>(9)</sup> Bull. 11-2003, point 1.3.78.

services (→ point 326). Cooperation with the future Member States also continued with a view to implementing the eEurope + action plan <sup>(1)</sup>.

**400.** *United Nations World Summit on the Information Society.* The first phase of the United Nations World Summit on the Information Society (WSIS) took place from 10 to 12 December in Geneva <sup>(2)</sup>. It brought together 175 countries. Mr Stanca, the Italian Minister for Innovation and Technology, represented the EU. Commissioners Liikanen and Nielson attended, along with Mr Annan, the UN Secretary-General. The WSIS adopted a declaration of principles and an action plan in accordance with the EU's principles concerning the establishment of an information society for everyone. In preparation for this summit, the Commission and the Council defined, on 19 May <sup>(3)</sup> and 5 June <sup>(4)</sup> respectively, guidelines for establishing a global partnership in the information society. These guidelines were confirmed at the Council meeting on 20 November.

**401.** *World Radiocommunications Conference.* In preparation for the 2003 World Radiocommunications Conference (WRC-2003) <sup>(5)</sup>, which took place in Geneva between 9 June and 4 July at the initiative of the International Telecommunications Union <sup>(6)</sup>, on 14 April <sup>(7)</sup> the Commission adopted a communication containing an initial analysis of the main items open to negotiation, particularly in the field of new generation mobile communication systems and the satellite radionavigation system. On 2 and 3 June <sup>(8)</sup>, the Council supported the political objectives as defined by the Commission and asked it to report on the results of WRC-2003. On 19 November <sup>(9)</sup>, the Commission adopted a communication analysing these results and indicating the necessary Community follow-up measures in relation to WRC-2003, in particular with a view to preparing for WRC-2007.

**402.** *EU/China dialogue in the field of the information society.* Dialogue in this field was recently expanded in scope to cover policy and regulatory issues as well as research cooperation. The last meeting took place in Brussels on 18 February 2003 and covered a range of cooperative projects and actions as well as regulatory and market issues. Activities conducted within the framework of the dialogue in 2003 included Commissioner Liikanen's September mission to Beijing to meet key Chinese officials; two meetings (April and November) of a working group on 'Digital Olympics' (an initiative aiming at involvement of European organisations in projects under China's 'Digital Olympics' programme, which aims to harness information technologies to prepare Beijing for 2008);

<sup>(1)</sup> 2002 General Report, point 350, [http://europa.eu.int/information\\_society/topics/international/regulatory/eeuropeplus/index\\_en.htm](http://europa.eu.int/information_society/topics/international/regulatory/eeuropeplus/index_en.htm).

<sup>(2)</sup> Bull. 12-2003, point 1.3.109; [http://www.itu.int/wsisis/index\\_en.html](http://www.itu.int/wsisis/index_en.html).

<sup>(3)</sup> COM(2003) 271; Bull. 5-2003, point 1.3.83.

<sup>(4)</sup> Bull. 6-2003, point 1.3.81.

<sup>(5)</sup> Previous conference: 2000 General Report, point 337. Internet (<http://www.itu.int/ITU-R/conferences/wrc/wrc-03/index.asp>).

<sup>(6)</sup> <http://www.itu.int/home/index.html>.

<sup>(7)</sup> COM(2003) 183; Bull. 4-2003, point 1.3.52.

<sup>(8)</sup> Bull. 6-2003, point 1.3.80.

<sup>(9)</sup> COM(2003) 707; Bull. 11-2003, point 1.3.85.

and the launch of six research projects with Chinese participation under the first call in the field of information society technologies under the sixth framework programme for research

403. *Partnership with Latin America.* Bi-regional dialogues were launched in the context of the @LIS ('Alliance for the information society') cooperation programme <sup>(1)</sup>. Moreover, 19 projects involving partners from both regions were selected for financing under @LIS. Furthermore, in July the Commission, in cooperation with the Peruvian government, organised the high-level EU–Latin American and Caribbean Information Society Forum, held in Lima with the participation of ministers responsible for the information society, and high-level representatives from the regulatory authorities, the private sector and civil society from these regions.

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<sup>(1)</sup> 2002 General Report, point 352; [http://europa.eu.int/comm/europeaid/projects/alisis/index\\_en.htm](http://europa.eu.int/comm/europeaid/projects/alisis/index_en.htm).

## Section 10

# Economic and social cohesion <sup>(1)</sup>

## Overview

404. *The main feature of the discussions and debates on economic and social cohesion in 2003 was the integration of the 10 new Member States, for which a major overhaul of arrangements is foreseen, particularly as regards the eligibility of areas which will no longer be Objective 1 areas after enlargement. Efforts were also made to promote growth, the Lisbon and Gothenburg principles and the Structural Funds. A number of steps were also taken to make the use of these funds more efficient, including links with the other Community policies and with the special features of different regions. The closure of assistance for the period 1994–99 has a high priority, and the amount remaining to be settled was reduced from EUR 7.9 billion (end of December 2002) to EUR 3.89 billion (end of December 2003), i.e. by 51 %. For the budget period 2000–06, 100 % of the payment appropriations for Objectives 1 and 2 were implemented, including the top-up for Objective 1. The results were also satisfactory for the Community initiatives' programmes. In all, 89 % of the appropriations for the Structural Funds as a whole were utilised (95 % in the case of the ERDF).*

## General outline

405. *Follow-up to the Commission's reports <sup>(2)</sup>. As part of the discussion on the analyses and proposals in its second report on economic and social cohesion, adopted in 2001 <sup>(3)</sup>, on 30 January the Commission presented a new progress report <sup>(4)</sup> giving an update of the figures on regional disparities and of the progress made in 2002 in the debate on the future of the cohesion policy and providing an overview of the figures on the eligibility of the regions in the 10 accession countries (→ point 44) for the period up to the end of 2006. The Committee of the Regions, the European Economic and Social Committee and the European Parliament gave their opinions on this second progress report on 2 July <sup>(5)</sup>, 16 July <sup>(6)</sup> and 2 September <sup>(7)</sup> respectively.*

406. *Territorial cohesion. In an own-initiative opinion issued on 10 April <sup>(8)</sup>, the Committee of the Regions asked for territorial cohesion to become a policy objective to be*

<sup>(1)</sup> Further information is available on Europa ([http://europa.eu.int/comm/regional\\_policy/index\\_en.htm](http://europa.eu.int/comm/regional_policy/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/regional\\_policy/sources/docoffic/official/repor\\_en.htm](http://europa.eu.int/comm/regional_policy/sources/docoffic/official/repor_en.htm).

<sup>(3)</sup> COM(2001) 24; 2001 General Report, point 383.

<sup>(4)</sup> COM(2003) 34; Bull. 1/2-2003, point 1.3.149. First progress report: COM(2002) 46; 2002 General Report, point 356.

<sup>(5)</sup> OJ C 256, 24.10.2003; Bull. 7/8-2003, point 1.3.117.

<sup>(6)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.3.118.

<sup>(7)</sup> Bull. 9-2003, point 1.3.67.

<sup>(8)</sup> OJ C 244, 10.10.2003; Bull. 4-2003, point 1.3.54.

achieved at Community level with the same status as economic and social cohesion, and therefore for it to be included in the future Constitutional Treaty of the European Union (→ point 45). On 25 September <sup>(1)</sup>, the European Economic and Social Committee proposed a reform of the Community regional cohesion policy based on a development of local capacity with priority being given to the use of the resources of the areas concerned.

407. *Links with the other Community policies.* In an opinion issued on 25 September <sup>(2)</sup>, the European Economic and Social Committee suggested that the transport and competition policies should be re-examined in the light of the requirements of economic and social cohesion and asked for a triennial review and assessment of the Stability Pact (→ points 107 to 109) for the whole of the European Union and the economy of its regions.

## Structural measures

### General

408. *Management of the Structural Funds* <sup>(3)</sup>. In its resolution of 19 June <sup>(4)</sup> on the Commission's 13th annual report on the Structural Funds <sup>(5)</sup>, Parliament regretted the delays which had occurred in the programmes and asked for resources to be used more effectively, with increased funding for the European Regional Development Fund. It also proposed a number of guidelines, such as the creation of synergies between the European employment strategy (EES) and the national action plans and between the European Social Fund and the EES. Parliament returned to this subject in its resolution of 22 October <sup>(6)</sup> on the trend in outstanding commitments and requirements for 2004. In its communication of 25 August <sup>(7)</sup>, the Commission revised the general indicative guidelines on the Structural Funds laid down in 1999 for the national and regional authorities responsible for preparing the programming of the Structural Funds <sup>(8)</sup>. On 2 July, the Committee of the Regions adopted a report on the governance and simplification of the Structural Funds after 2006 <sup>(9)</sup>. In its opinion of 24 September <sup>(10)</sup>, the European Economic and Social Committee proposed the introduction of a minimum threshold for the participation of the economic and social partners in the implementation of the Structural Funds. In addition, the European Parliament and the Committee of the Regions adopted positions on equal opportunities for men and women in the utilisation of the Structural Funds (→ points 177 to 180). On 30 October the Commission adopted its 14th report on the implementation of the Struc-

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<sup>(1)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.71.

<sup>(2)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.70.

<sup>(3)</sup> [http://europa.eu.int/comm/regional\\_policy/funds/prord/prord2\\_en.htm](http://europa.eu.int/comm/regional_policy/funds/prord/prord2_en.htm).

<sup>(4)</sup> Bull. 6-2003, point 1.3.82.

<sup>(5)</sup> COM(2002) 591; 2002 General Report, point 363.

<sup>(6)</sup> Bull. 10-2003, point 1.3.86.

<sup>(7)</sup> COM(2003) 499; Bull. 7/8-2003, point 1.3.121.

<sup>(8)</sup> OJ C 267, 22.9.1999; COM(1999) 344; 1999 General Report, point 323.

<sup>(9)</sup> OJ C 256, 24.10.2003; Bull. 7/8-2003, point 1.3.120.

<sup>(10)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.72.

tural Funds <sup>(1)</sup> and on 6 November the Council took a position <sup>(2)</sup> on the Court of Auditors' Special Report No 7/2003 on the implementation of programming for the period 2000 to 2006 within the framework of the Structural Funds <sup>(3)</sup>.

409. *Structurally disadvantaged regions.* In its report of 12 February on Community action for mountain areas <sup>(4)</sup>, the Committee of the Regions proposed that the special features of these areas should be formally recognised by a European policy which would value their role. In its resolution of 2 September <sup>(5)</sup>, the European Parliament stressed the principle of solidarity which should guide the development of regions suffering from particular geographical obstacles and asked for the introduction of specific measures for them in the new rules and the forthcoming Constitutional Treaty (→ points 2 et seq.).

### Community support frameworks (CSFs) and single programming documents (SPDs)

410. The breakdown by Member State of the commitments made in 2003 under Objective 1 is shown in Table 5.

**Table 5**

<b>Commitments in 2003 — Objective 1</b>					
	<i>(million EUR)</i>				
<b>Member State</b>	<b>ERDF</b>	<b>ESF</b>	<b>EAGGF (Guidance Section)</b>	<b>PEACE</b>	<b>FIFG</b>
Belgium	64.312	31.418	6.965		0.305
Germany	1 686.187	872.513	509.864		15.436
Greece	2 620.112	721.100	382.294		36.674
Spain	3 618.670	1 300.533	782.387		223.900
France	339.083	137.184	103.668		5.143
Ireland	226.350	136.490	24.790	38.558	14.370
Italy	2 211.068	692.186	516.834		44.876
Netherlands	12.350	7.350	0.700		0.600
Austria	25.655	8.120	6.103		—
Portugal	1 873.024	657.091	321.784		33.101
Finland	69.183	39.772	31.066		0.979
Sweden	69.731	23.763	16.742		1.765
United Kingdom	570.314	262.810	52.270	0.173	14.606
Other				70.268	
<b>Total</b>	<b>13 426.040</b>	<b>4 890.330</b>	<b>2 755.466</b>	<b>109.000</b>	<b>391.754</b>

<sup>(1)</sup> COM(2003) 646; Bull. 10-2003, point 1.3.87.

<sup>(2)</sup> Bull. 11-2003, point 1.3.86.

<sup>(3)</sup> O J C 174, 23.7.2003; Bull. 5-2003, point 1.9.14.

<sup>(4)</sup> O J C 128, 29.5.2003; Bull. 1/2-2003, point 1.3.150.

<sup>(5)</sup> Bull. 9-2003, point 1.3.68.

411. The breakdown by Member State of the commitments made in 2003 under Objective 2 is shown in Table 6.

**Table 6**

<b>Commitments in 2003 — Objective 2</b>		
	<i>(million EUR)</i>	
<b>Member State</b>	<b>ERDF</b>	<b>ESF</b>
Belgium	73.082	8.525
Denmark	19.863	8.137
Germany	514.776	79.934
Spain	373.703	36.296
France	807.011	129.597
Italy	480.100	
Luxembourg	7.450	
Netherlands	144.070	
Austria	101.786	3.720
Finland	59.596	16.404
Sweden	55.646	7.534
United Kingdom	646.487	78.513
<b>Total</b>	<b>3 283.570</b>	<b>368.224</b>

412. The rural development measures financed by the EAGGF, Guarantee Section, forming part of the programming for Objective 2 are included in Table 12 in Chapter IV (→ point 445).

413. The breakdown by Member State of the commitments made in 2003 under Objective 3 of the Structural Funds (adaptation and modernisation of policies and systems of education, training and employment) is shown in Table 7.

**Table 7**

<b>Commitments in 2003 — Objective 3</b>	
	<i>(million EUR)</i>
<b>Member State</b>	<b>ESF (excluding Objective 1 areas)</b>
Belgium	113.965
Denmark	56.441
Germany	708.374
Spain	329.053
France	702.035
Italy	578.947
Luxembourg	5.876
Netherlands	260.711
Austria	81.646
Finland	62.317
Sweden	111.336
United Kingdom	706.364
<b>Total</b>	<b>3 717.065</b>

414. The breakdown by Member State of the commitments made in 2003 under the Financial Instrument for Fisheries Guidance (FIFG) outside the regions under Objective 1 is shown in Table 8.

**Table 8**

<b>Commitments in 2003 — FIFG</b>		<i>(million EUR)</i>
<b>Member State</b>	<b>FIFG (outside areas under Objective 1)</b>	
Belgium	5.300	
Denmark	30.500	
Germany	16.500	
Spain	30.900	
France	34.800	
Italy	14.800	
Netherlands	5.700	
Austria	0.600	
Finland	4.800	
Sweden	9.300	
United Kingdom	18.700	
<b>Total</b>	<b>171.900</b>	

### Community initiatives

415. *URBAN* <sup>(1)</sup>. The initial evaluation of the URBAN initiative presented by the Commission on 14 June 2002 <sup>(2)</sup> was welcomed by the Committee of the Regions on 13 February <sup>(3)</sup> and by the European Economic and Social Committee on 26 March <sup>(4)</sup>. Most of the objectives set for 2003 for the 70 URBAN II programmes had been achieved. In addition the Urbact initiative, intended to create networks among the cities of Europe on their experiences of sustainable urban development, was launched. In cooperation with Eurostat and the national statistical agencies, a new urban audit cycle was launched in 258 cities of the enlarged Union and two countries applying for accession (Bulgaria and Romania).

416. *Employment-Integra*. In its conclusions of 7 March <sup>(5)</sup>, the Council expressed its agreement with the Court of Auditors Special Report No 3/2002 <sup>(6)</sup> on the Employment-Integra initiative to allow the integration into the labour market of those excluded from it or being excluded.

<sup>(1)</sup> [http://europa.eu.int/comm/regional\\_policy/urban2/index\\_en.htm](http://europa.eu.int/comm/regional_policy/urban2/index_en.htm).

<sup>(2)</sup> COM(2002) 308; 2002 General Report, point 371.

<sup>(3)</sup> OJ C 128, 29.5.2003; Bull. 1/2-2003, point 1.3.151.

<sup>(4)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.3.92.

<sup>(5)</sup> Bull. 3-2003, point 1.3.93.

<sup>(6)</sup> OJ C 263, 29.10.2002; 2002 General Report, point 1104.

417. *EQUAL*. In a communication of 30 December <sup>(1)</sup>, the Commission presented the first results (2001–04) of the *EQUAL* programme and on that basis set out the guidelines for its second round. It proposed following the initial architecture and principles, but simplifying them as regards administrative implementation to meet the challenges posed by enlargement. It noted the main features of the programme: partnership, active participation, transnationality, the dissemination and integration of policies, innovation and the thematic approach, and welcomed the efficiency demonstrated in guiding the integrated approaches to combat disadvantages and discrimination.

418. The breakdown by Member State of the commitments made in 2003 under the Community initiatives is shown in Table 9.

**Table 9**

<b>Commitments in 2003 — Community initiatives</b>				
<i>(million EUR)</i>				
<b>Member State</b>	<b>Leader</b>	<b>Interreg</b>	<b>EQUAL</b>	<b>URBAN</b>
Belgium	2.500		12.066	3.400
Denmark	2.800		5.058	0.900
Germany	43.570		86.793	25.200
Greece	30.100	65.100	17.580	4.300
Spain	81.698	28.697	86.916	19.100
France	44.100	6.385	54.016	17.300
Ireland	7.900		5.696	0.900
Italy	46.699	23.510	66.538	19.400
Luxembourg	0.300		0.761	
Netherlands	13.600		35.160	5.100
Austria	12.400		17.211	1.400
Portugal	26.600		19.225	3.300
Finland	9.100	10.840	12.153	0.900
Sweden	6.600		14.536	0.900
United Kingdom	18.600	5.420	67.422	21.100
Other		736.948	3.154	2.700
<b>Total</b>	<b>346.566</b>	<b>876.900</b>	<b>504.285</b>	<b>125.900</b>

## **Innovative measures and other regional operations**

419. During the year, 16 new regions applied to participate in the regional programme of innovative actions under the European Regional Development Fund (ERDF). A competition to select the best of the 126 regional programmes already approved was launched in the autumn.

420. Under Article 6 of the regulation on the European Social Fund <sup>(2)</sup> and as part of its call for proposals on ‘Local strategies for employment and innovation’ <sup>(3)</sup>, the Commis-

<sup>(1)</sup> COM(2003) 840; Bull. 12-2003, point 1.3.122.

<sup>(2)</sup> Regulation (EC) No 1784/1999 (OJ L 213, 13.8.1999).

<sup>(3)</sup> OJ C 306, 31.10.2001; OJ C 230, 27.9.2002.

sion selected 41 projects <sup>(1)</sup> costing a total of EUR 29.76 million to be implemented over a two-year period up to the end of 2005. On 31 October a fresh call for proposals was published to cover the period 2004–06 on the subject ‘Innovative approaches to the management of change’ <sup>(2)</sup>. It will be based on two specific subjects: management of demographic change and management of restructuring.

### **Cohesion Fund <sup>(3)</sup>**

421. *Legislation.* In the interests of clarity and rational presentation, but without amending the substance, on 16 June the Commission proposed codifying Council Regulation (EC) No 1164/94 establishing a Cohesion Fund (Table II).

422. *Annual report.* On 18 November, the Commission adopted the annual report on the work of the Cohesion Fund in 2002 <sup>(4)</sup>. This showed implementation of 99.9 % of the commitment appropriations and all the payment appropriations. In 2002 investment had concentrated on transport (57.6 % of the appropriations) rather than environment. Greece and Ireland had each communicated one case of irregularity affecting Community contributions of EUR 973 000 and EUR 5 885 respectively. On 19 June <sup>(5)</sup>, the European Parliament welcomed the annual report on the work of the Fund in 2001 <sup>(6)</sup>. It noted in particular that enlargement would have a major impact on its operations. It also asked the Commission to ensure that balance was preserved between the areas benefiting from the Fund’s investments, i.e. transport and the environment.

423. In 2003 the total commitments used to finance Cohesion Fund projects amounted to EUR 2 835.62 million. The breakdown by Member State and by area of the commitments made is shown in Table 10.

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<sup>(1)</sup> [http://europa.eu.int/comm/employment\\_social/esf2000/article\\_6\\_2000\\_2006\\_programme-en.htm](http://europa.eu.int/comm/employment_social/esf2000/article_6_2000_2006_programme-en.htm).

<sup>(2)</sup> OJ C 262, 31.10.2003; [http://forum.europa.eu.int/Public/irc/empl/vp\\_2003\\_021/library](http://forum.europa.eu.int/Public/irc/empl/vp_2003_021/library).

<sup>(3)</sup> [http://europa.eu.int/comm/regional\\_policy/funds/procf/cf\\_en.htm](http://europa.eu.int/comm/regional_policy/funds/procf/cf_en.htm).

<sup>(4)</sup> COM(2003) 697; Bull. 11-2003, point 1.3.87.

<sup>(5)</sup> Bull. 6-2003, point 1.3.84.

<sup>(6)</sup> COM(2002) 557; 2002 General Report, point 376.

**Table 10**

<b>Commitments in 2003 — Cohesion Fund</b>							<i>(million EUR)</i>
<b>Member State</b>	<b>Environment</b>		<b>Transport</b>		<b>Total (million EUR)</b>	<b>Breakdown (%)</b>	
	<b>(million EUR)</b>	<b>%</b>	<b>(million EUR)</b>	<b>%</b>			
Greece	176.404	13.5	353.055	23.1	529.459	18.7	
Spain	717.642	54.8	825.494	54.1	1 543.136	54.4	
Ireland	39.875	3.0	77.447	5.1	117.322	4.1	
Portugal	374.664	28.6	270.140	17.7	644.803	22.7	
Technical assistance							
<b>Grand total</b>	<b>1 308.584</b>	<b>100</b>	<b>1 526.136</b>	<b>100</b>	<b>2 835.622</b>	<b>100</b>	

## Solidarity Fund

424. The work of the Solidarity Fund is covered in Section 1 ('Economic and monetary policy') of this chapter (→ point 126).

## Pre-accession instruments

425. The work of the instrument for structural policies for pre-accession (ISPA) is covered in Section 5 ('Pre-accession strategies') of Chapter II (→ points 64 and 69).

*Section 11***Measures to assist the outermost regions <sup>(1)</sup>**

426. *Fisheries and dock dues.* On 2 May, the Commission proposed introducing special arrangements for managing the fishing fleets registered in the outermost regions (Table II). These arrangements, which would be more favourable than those applied to metropolitan fleets, seek to allow the measured development of the fleets in those regions with the support of public aid granted under the Structural Funds (FIFG).

Other issues relating to the scheme to compensate for the additional costs arising from the regions' remoteness and the arrangements regarding dock dues in the French overseas departments are dealt with in Sections 5 ('Internal market') and 14 ('Fisheries') of this chapter (→ points 491 and 219).

427. *Agriculture.* In view of the heavy dependence of the Azores on dairy production, on 17 December the Council adopted Regulation (EC) No 55/204 prolonging the special measures applicable to the additional levies in the milk and milk products sector, and setting the amounts for the extended period (Table II). The European Council meeting on 16 and 17 October <sup>(2)</sup> welcomed the Commission's proposal to extend this scheme.

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<sup>(1)</sup> Further information is available on the Internet (<http://www.erup.net>).

<sup>(2)</sup> Bull. 10-2003, point I.19.

*Section 12***Trans-European networks (TENs) <sup>(1)</sup>****General approach**

428. *Guidelines.* The Brussels European Council of 20 and 21 March <sup>(2)</sup> called on the Council to spell out conditions and directions needed in terms of the ‘connectivity’ of trans-European networks, in particular in view of enlargement, so as to make better use of and improve existing infrastructure. It also called on the Commission, the European Investment Bank and other international financial institutions to examine possible initiatives in support of major infrastructure projects in transport, energy and telecommunications in south-eastern Europe and in particular in the western Balkan countries. On 25 September <sup>(3)</sup>, the European Economic and Social Committee expressed its opinion that absolute priority should be given to the revision of the list of TEN projects on the eve of enlargement.

429. *Annual report.* On 7 August, the Commission adopted the report relating to 2001 <sup>(4)</sup>, focusing on factual information regarding the implementation of the various budgets provided for the trans-European energy, telecommunications and transport networks, as well as on financial aspects relating to other Community support instruments in this area.

430. *Financial assistance.* On 29 April, the Commission presented a new proposal for a regulation aimed at increasing the maximum level of Community aid to projects in the telecommunications sector (Table I), in accordance with the *eEurope* 2005 action plan <sup>(5)</sup>. Furthermore, the legislative work with a view to drawing up new general rules for the granting of Community financial assistance in the field of TENs continued (Table I). In this context, the Commission presented a more ambitious modified proposal based on Parliament’s amendments at first reading, the recommendations of a high-level group and its own communication of 23 April on developing trans-European transport networks through innovative funding solutions (→ point 431), on which the Council reached agreement on 25 November.

Community funding for the trans-European networks (TENs) is shown in Table 11.

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/ten/index\\_en.html](http://europa.eu.int/comm/ten/index_en.html)).

<sup>(2)</sup> Bull. 3-2003, point I.16.

<sup>(3)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.3.73.

<sup>(4)</sup> COM(2003) 442; Bull. 7/8-2003, point 1.3.125.

<sup>(5)</sup> COM(2002) 263; 2002 General Report, point 331.

Table 11

Community financing of TENs in 2003			(million ECU/EUR)							
Sector	Type of aid	Instrument	1993-96	1997	1998	1999	2000	2001	2002	2003
<i>Transport</i>	Loans	EIB	11 170	4 943	4 415	5 977	4 010	5 066	4 908	4 477
	Guarantees	EIF	464	55	71	256	80	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
	Subsidies	Structural Funds	3 638	527	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Cohesion Fund	4 216	1 251	1 337	444	1 277	1 563	1 504	1 526
	Subsidies, interest rebates, loan guarantees and co-financing of studies	TENs budget heading B5-70	905	352	474	497	592	563	564	625
(of which the 14 priority projects)		573	211	305	266	253	221	211	n.a.	
<i>Energy</i>	Loans	EIB	2 998	854	393	174	392	0	185	383
	Guarantees	EIF	490	4	5	0	15	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
	Co-financing of studies and subsidies	Structural Funds	2 029	277	n.a.	355	n.a.	n.a.	n.a.	n.a.
		TENs budget heading B5-71	21	24	19	29	13	19	15	22
<i>Telecommunications</i>	Loans	EIB	5 921	1 880	3 434	2 126	2 211	994	180	315
	Guarantees	EIF	184	276	230	44	140	— <sup>(1)</sup>	— <sup>(1)</sup>	— <sup>(1)</sup>
	Financial contributions	Structural Funds	468	n.a.	n.a.	387	n.a.	n.a.	n.a.	n.d.
	Co-financing of feasibility and validation studies	TENs budget heading B5-720	61	27	28	21	35	33	22	24
<i>Telematic networks</i>	Financing	TENs budget heading B5-721	163	47	15	24	20	22	23	18

<sup>(1)</sup> The EIF's guarantee activity was transferred to the EIB at the end of 2000.

NB: n.a. = not available.

## Transport <sup>(1)</sup>

431. *Financing.* In its communication of 23 April <sup>(2)</sup>, the Commission took stock of the trans-European transport network and explored possible funding options for its optimum development, including public/private partnerships. The communication is accompanied by a proposal for a directive on the widespread introduction and interoperability of electronic road toll systems in the Community (Table I), in order to make it easier to collect revenue from infrastructure charging and thus fund, in part, new infrastructure. Furthermore, in the context of the legislative work on revised guidelines for the development of transport TEN (Table I), on 1 October the Commission presented an amended proposal which, in particular, added to the list of priority projects. The Brussels European Council of 16 and 17 October underlined the importance of this new proposal <sup>(3)</sup>. On 5 December <sup>(4)</sup>, the Council reached an agreement which was welcomed by the European Council of 12 December <sup>(5)</sup>.

## Telematics and telecommunications

432. Electronic interchange of data between administrations (IDA) is dealt with in Section 7 ('Enterprise') of this chapter (→ point 326).

## Energy <sup>(6)</sup>

433. *Revision of the guidelines.* On 26 June, the European Parliament and the Council adopted Decision No 1229/2003/EC laying down a series of guidelines for trans-European energy networks (Table I), previously governed by Decision No 1254/96/EC. The revised decision aims to introduce new priorities, particularly with regard to the creation of a more open and competitive internal energy market (→ point 641), to highlight projects of common interest which are considered to be particularly important, to update the list of projects, and to adapt the procedure used for identifying projects. The Thessaloniki European Council of 19 and 20 June welcomed the agreement reached between the institutions to adopt this decision <sup>(7)</sup>. On 10 December the Commission proposed a new reform of these guidelines in order to take account of the dimension of the enlargement of the European Union <sup>(8)</sup>. In an opinion of 29 October <sup>(9)</sup>, the European Economic and Social Committee called for the development of trans-Euro-Mediterranean energy networks.

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<sup>(1)</sup> [http://europa.eu.int/comm/ten/transport/index\\_en.htm](http://europa.eu.int/comm/ten/transport/index_en.htm).

<sup>(2)</sup> COM(2003) 132; Bull. 4-2003, point 1.4.40.

<sup>(3)</sup> Bull. 10-2003, point I.5.

<sup>(4)</sup> Bull. 12-2003, point 1.3.119.

<sup>(5)</sup> Bull. 12-2003, point I.4.

<sup>(6)</sup> <http://europa.eu.int/comm/energy/ten-e/en/index.html>.

<sup>(7)</sup> Bull. 6-2003, point I.21.

<sup>(8)</sup> COM(2003) 742; Bull. 12-2003, point 1.3.120.

<sup>(9)</sup> Bull. 10-2003, point 1.3.97.

### Section 13

## Agriculture and rural development <sup>(1)</sup>

### Overview

434. *In September, the Council adopted a far-reaching reform of the common agricultural policy (CAP), designed to change fundamentally the way in which the European Union provides support for the farming sector. The new CAP focuses more on consumers and taxpayers, and at the same time gives Europe's farmers the freedom to gear their production to market needs. In future, the largest share of subsidies will be allocated independently of the volume of production, and Member States will only have the possibility, so as to prevent certain forms of production being abandoned, of maintaining a limited link between subsidies and production, on well-defined terms. The aim of this 'decoupling' is to increase the competitiveness of Europe's farmers while assuring them of a stable income. The new system of payments will be linked also to the observance of environmental, food safety and animal welfare standards. Moreover, to the extent that these important changes to the *acquis communautaire* have not taken account of the enlargement process negotiated on the basis of that *acquis*, the Commission has proposed amendments to both the Act of Accession and the instruments reforming the CAP, in order to ensure that the latter will be operational within the framework of an enlarged Union. Lastly, while the multilateral trade negotiations in Cancún failed to achieve a positive outcome, reform of the CAP is nevertheless a sign of the Community's willingness to give practical effect to its commitment to the World Trade Organisation and to open its market to international trade, including in the agricultural sphere.*

### Content of the common agricultural policy (CAP)

435. *Mid-term review of the CAP* <sup>(2)</sup>. Following the Commission's communication of 10 July 2002 <sup>(3)</sup> and on the basis of the proposals it made in January, on 29 September the Council adopted a series of regulations to implement the review of the CAP (Table II). These took the form of a horizontal regulation covering the key point of the reform and six sectoral regulations. The review introduces a single direct payment per holding for farmers in the European Union, unrelated to production and subject to compliance with environmental, health and other standards and the requirement that all agricultural land should be kept in a satisfactory agronomic and environmental condition ('cross-compliance'). The

<sup>(1)</sup> For more details, see *Agriculture in the European Union – Statistical and economic information 2002* ([http://europa.eu.int/comm/agriculture/agrista/2002/table\\_en/index.htm](http://europa.eu.int/comm/agriculture/agrista/2002/table_en/index.htm)) and the 2001 Report available from the Office for Official Publications of the European Communities and on the Europa server ([http://europa.eu.int/comm/agriculture/publi/agrep2001/index\\_en.htm](http://europa.eu.int/comm/agriculture/publi/agrep2001/index_en.htm)); referred to in Bull. 1/2-2003, point 1.3.156. Additional information is also available on the Europa server ([http://europa.eu.int/comm/dgs/agriculture/index\\_en.htm](http://europa.eu.int/comm/dgs/agriculture/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/agriculture/capreform/index\\_en.htm](http://europa.eu.int/comm/agriculture/capreform/index_en.htm).

<sup>(3)</sup> COM(2002) 394; 2002 General Report, point 393.

review also includes a stronger rural development policy with increased funding and including new types of measures on quality and support to help farmers apply Community production standards from 2005. It will also reduce direct payments to large holdings ('modulation') to finance the new rural development policy and introduces a financial discipline mechanism to ensure compliance with the agricultural budget fixed until 2013. The CAP's market management policy was also revised, mainly through asymmetrical price reductions in the milk sector, the halving of monthly increases in the cereals sector and reforms in the rice, durum wheat, protein crops, nuts, starch potatoes and dried fodder sectors. The aim of the reform is to enable farmers in the Union to be more competitive and to target their work towards the market to a greater extent, while preserving the level of their incomes; it should also help provide more resources for programmes directed towards the environment, product quality and animal welfare; finally it seeks to improve the Union's negotiating position at the trade talks being held by the World Trade Organisation (→ points 474, 781 and 782).

In its resolution of 5 June <sup>(1)</sup>, the European Parliament welcomed making direct aid conditional, although it considered compensatory measures necessary to avoid Community products becoming less competitive and rejected the total decoupling of direct aid based on the historic production levels of individual holdings. It also stressed the need to promote the agri-environmental measures in rural development policy and noted that the CAP should give priority to measures for young entrants to farming. It also asked the Commission to encourage agricultural activity to be more multifunctional. In its opinion of 2 July <sup>(2)</sup>, the Committee of the Regions agreed with the general principle of decoupling aid, suggesting that it should be accompanied by mechanisms to control production or ensure the maintenance of incomes.

The approach was supplemented by a Commission communication of 23 September <sup>(3)</sup> dealing specifically with the reform of the tobacco, olive oil, cotton and sugar sectors; it was based on the objectives and approach of the CAP revision, particularly as regards competitiveness, sustainable development, market imperatives and the stabilisation of incomes.

**436. Simplification.** The simplification objectives in the area of agricultural legislation aim to make it as clear, transparent and understandable as possible, and to lighten the administrative burden on farmers and public authorities. This approach, in line with that of the Commission communication of 11 February on the updating and simplification of the *acquis communautaire* (→ point 29) is an essential goal of the programme of reforms now under way in the different sectors of the agricultural policy (→ point 435), many strands of which are called on to produce a simpler, more effective agricultural policy in the long term, that will provide better support for the agricultural sector.

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<sup>(1)</sup> Bull. 6-2003, point 1.3.88.

<sup>(2)</sup> OJ C 256, 24.10.2003; Bull. 7/8-2003, point 1.3.126.

<sup>(3)</sup> COM(2003) 554; Bull. 9-2003, point 1.3.74.

In 2003, simplifying measures were adopted in particular in the fresh and processed fruit and vegetables sectors. In the area of rural development, the simplification of the Commission's implementing rules resulted in a set of measures adopted on 19 March <sup>(1)</sup>. In addition, seven Commission legal instruments were repealed <sup>(2)</sup> and a list was drawn up also of 99 lapsed legal acts for repeal by the new 'declaration of obsolescence' procedure.

**437. *Enlargement.*** On 27 October, the Commission presented two proposals for Council regulations: one on overall CAP reform (→ point 437) to take account of enlargement (Table II); and the other on amending the Act of Accession in the light of CAP reform (Table II). On 18 December, it also proposed including in Regulation (EC) No 1257/1999 an additional, temporary derogation making it possible for the new Member States to take account of the costs of investment on certain conditions regarding annual support for 'complying with standards' (Table II).

**438. *Eurofarm project.*** The Commission's report of 24 February <sup>(3)</sup> examined the operation of the Eurofarm project, which was intended to constitute databases for the exploitation of Community surveys on the structure of agricultural holdings to meet the needs of national and Community agricultural policies.

**439. *Information measures.*** On 8 May <sup>(4)</sup> the Commission adopted a report on the implementation, in 2000, 2001 and 2002, of Council Regulation (EC) No 814/2000 on information measures relating to the CAP <sup>(5)</sup>. At its meeting on 17, 18 and 19 December <sup>(6)</sup>, the Council recommended amendments to this regulation.

**440. *Situation of agriculture in Portugal.*** In a report of 19 June which looked at changes in the special features of agriculture in Portugal <sup>(7)</sup>, as recognised by the Berlin European Council <sup>(8)</sup>, the Commission stressed that the ongoing problems were not due solely to long-standing difficulties in adjustment but were also the result of the way the CAP is currently being applied in Portugal. The Brussels European Council on 16 and 17 October <sup>(9)</sup> took note of the report and asked the Commission to present a new report on the matter in due course.

**441. *Set-aside.*** On 17 December, the Council adopted a derogation from Regulation (EC) No 1251/1999 <sup>(10)</sup> reducing to 5 % (in place of 10 %) the rate of compulsory set-aside of land for 2004–05, in order to prevent the level of Community stocks, seriously

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<sup>(1)</sup> Regulation (EC) No 963/2003 (OJ L 138, 5.6.2003).

<sup>(2)</sup> Regulation (EC) No 1688/2003 (OJ L 240, 26.10.2003).

<sup>(3)</sup> COM(2003) 86; Bull. 1/2-2003, point 1.3.159. Previous report: COM(1999) 189.

<sup>(4)</sup> COM(2003) 235; Bull. 5-2003, point 1.3.96.

<sup>(5)</sup> OJ L 100, 20.4.2000.

<sup>(6)</sup> Bull. 12-2003, point 1.3.122.

<sup>(7)</sup> COM(2003) 359; Bull. 6-2003, point 1.3.87.

<sup>(8)</sup> Bull. 3-1999, point I.12.

<sup>(9)</sup> Bull. 10-2003, point I.19.

<sup>(10)</sup> OJ L 160, 26.6.1999; 1999 General Report, point 496.

affected by the drought in 2003, exposing the internal market to the threat of prolonged shortages (Table II).

442. *Risk management.* In its conclusions adopted at its meeting on 17, 18 and 19 December <sup>(1)</sup>, the Council outlined its views on the role that agricultural insurance could play in managing the risks threatening the sector.

## **Agriculture and the environment, forests <sup>(2)</sup>**

443. *Forest protection <sup>(3)</sup>.* The Fourth Ministerial Conference on the Protection of Forests in Europe was held in Vienna from 28 to 30 April <sup>(4)</sup>. It was attended by 41 European countries, four non-European countries and 24 international organisations. Mr Fischler, a Member of the Commission, represented the Community and was authorised by the Council to take part alongside the Member States <sup>(5)</sup>. One declaration and five resolutions on the sustainable management of forests were adopted at the end of the conference.

## **Rural development <sup>(6)</sup>**

444. As part of the mid-term review of the CAP, the Council adopted Regulation (EC) No 1783/2003 (→ point 435) amending Regulation (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) <sup>(7)</sup>. CAP reform has resulted in the strengthening of rural development through a transfer of funds from the first to the second pillar of the CAP involving the introduction of a European system of modulation of direct CAP aid. The reform brought new rural development measures, which the Member States could incorporate in their rural development programmes for 2000–06 if they wished. The measures encourage farmers to take part in quality schemes, improve animal welfare and comply with Community standards in the areas of the environment, public health and safety at work. The new regulation also amends certain measures contained already in Regulation (EC) No 1257/1999 mentioned above, such as, for example, raising support levels for young farmers and introducing new possibilities for part-financing the additional expenses faced by farmers in areas forming part of the Natura 2000 network.

445. A breakdown of EAGGF Guarantee Section assistance for rural development by Member State is given in Table 12.

<sup>(1)</sup> Bull. 12-2003, point 1.3.121.

<sup>(2)</sup> [http://europa.eu.int/comm/agriculture/envir/index\\_en.htm](http://europa.eu.int/comm/agriculture/envir/index_en.htm).

<sup>(3)</sup> [http://europa.eu.int/comm/agriculture/fore/index\\_en.htm](http://europa.eu.int/comm/agriculture/fore/index_en.htm).

<sup>(4)</sup> Bull. 4-2003, point 1.3.62.

<sup>(5)</sup> Bull. 4-2003, point 1.3.61.

<sup>(6)</sup> [http://europa.eu.int/comm/agriculture/rur/index\\_en.htm](http://europa.eu.int/comm/agriculture/rur/index_en.htm).

<sup>(7)</sup> OJ L 160, 26.6.1999; 1999 General Report, point 502.

**Table 12**
**EAGGF Guarantee Section rural development payments, by Member State  
 Payments from 16 October 2002 to 15 October 2003**
*(million EUR)*

<b>Member State</b>	<b>EAGGF Guarantee Section</b>
Belgium	46.2
Denmark	46.4
Germany	799.1
Greece	136.4
Spain	496.9
France	832.3
Ireland	340.9
Italy	655.6
Luxembourg	16.8
Netherlands	69.3
Austria	458.1
Portugal	153.1
Finland	336.9
Sweden	165.8
United Kingdom	151.6
<b>Total</b>	<b>4 705.4</b>

## Veterinary and plant-health legislation

446. This is covered in Section 7 ('Health and consumer protection') of Chapter V (→ points 722 et seq.).

## Quality of agricultural products <sup>(1)</sup>

447. *Organic farming.* On 16 January, the Commission proposed amending Regulation (EEC) No 2092/91 on the presentation of organic indications on agricultural products and foodstuffs, in order to avoid any errors of interpretation as regards the scope of the protection afforded by those rules (Table II). On 13 October <sup>(2)</sup>, the Council adopted negotiating directives for an agreement with the United States on mutual recognition of organic production rules and related inspection systems. At its meeting on 17, 18 and 19 December <sup>(3)</sup>, it drafted conclusions on a strategy for a European action plan on organic food and organic farming.

448. *Genetic resources.* On 22 December, the Commission presented a new proposal for a regulation to establish a multiannual Community programme for 2004–06 for the conservation, characterisation, collection and utilisation of genetic resources in agriculture (Table II).

<sup>(1)</sup> [http://europa.eu.int/comm/agriculture/foodqual/quali1\\_en.htm](http://europa.eu.int/comm/agriculture/foodqual/quali1_en.htm).

<sup>(2)</sup> Bull. 10-2003, point 1.3.104.

<sup>(3)</sup> Bull. 12-2003, point 1.3.128.

449. *Geographical indications and designations of origin.* By Regulation (EC) No 692/2003 of 8 April (Table II), the Council amended Regulation (EEC) No 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. The main purpose of these amendments is to satisfy obligations under international agreements, and in particular the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), to open the Community arrangements to non-member countries in order to have reciprocal protection beyond European Union frontiers, and to improve the registration and protection procedures.

## Management of the common agricultural policy

### Adjustment of the common market organisations (CMOs)

450. *Response to reports by the Court of Auditors.* At its meeting on 27 and 28 January <sup>(1)</sup>, the Council considered Special Reports Nos 5/2002, 6/2002 and 7/2002 from the Court of Auditors on the market organisations in the beef and veal <sup>(2)</sup>, oilseeds <sup>(3)</sup> and banana <sup>(4)</sup> sectors respectively. It asked the Commission to take the various measures required to respond.

### Crop products

451. *Alcohol.* By Regulation (EC) No 670/2003 of 8 April, the Council introduced specific measures concerning the market in ethyl alcohol of agricultural origin making it possible for economic data to be collected and statistical information analysed for the purpose of monitoring the market. The regulation, among other things, sets a limit to the amount of aid granted by Germany to its alcohol producers, which is to be discontinued after a seven-year transitional period (Table II).

452. *Cereals.* By Regulation (EC) No 1104/2003 of 26 May (Table II), the Council altered its import arrangements for certain cereals laid down by Regulation (EEC) No 1766/92 on the CMO in this sector <sup>(5)</sup> to allow implementation of the agreements between the Community and the United States and Canada. On 18 June <sup>(6)</sup>, the Council authorised the Commission to vote in the International Grains Council and the Food Aid Committee for the extension from 30 June of the 1995 Grains Trade Convention <sup>(7)</sup> and the 1999 Food Aid Convention <sup>(8)</sup>.

<sup>(1)</sup> Bull. 1/2-2003, points 1.3.162 (bananas), 1.3.163 (oilseeds) and 1.3.164 (beef and veal).

<sup>(2)</sup> OJ C 290, 25.11.2002; 2002 General Report, point 1104.

<sup>(3)</sup> OJ C 254, 22.10.2002; 2002 General Report, point 1104.

<sup>(4)</sup> OJ C 294, 28.11.2002; 2002 General Report, point 1104.

<sup>(5)</sup> OJ L 181, 1.7.1992. Regulation last amended by Regulation (EC) No 1666/2000 (OJ L 193, 29.7.2000; 2000 General Report, point 393).

<sup>(6)</sup> Bull. 6-2003, point 1.3.91.

<sup>(7)</sup> OJ L 21, 27.1.1996; 1995 General Report, point 535.

<sup>(8)</sup> OJ L 163, 4.7.2000; 1999 General Report, point 735; 2000 General Report, point 872.

**453. Hops.** As required by Regulation (EEC) No 1696/71 on the CMO in hops <sup>(1)</sup>, on 30 September the Commission presented a report <sup>(2)</sup> assessing all the provisions governing the sector, together with options for their reform; it recommended that from 2005 aid to producers should come under the single payment arrangements advocated for the review of the CAP (→ point 435), while allowing the Member States concerned to maintain part of the aid as ‘coupled’. To cover the transitional period between the presentation of this assessment report and the entry into force of any reform measures, on 17 December the Council extended for the 2004 harvest the provisions of Regulation (EEC) No 1696/71 on production aid (Table II) and those of Regulation (EC) No 1098/98 <sup>(3)</sup> introducing special temporary measures for hops <sup>(4)</sup>.

**454. Olive oil.** On 16 June <sup>(5)</sup>, the Council authorised the Commission to approve the extension of the 1986 International Agreement on Olive Oil and Table Olives <sup>(6)</sup>. On 25 November, it adopted negotiating directives for the review of the agreement <sup>(7)</sup>. On 18 November, the Commission proposed amending the rules on the common organisation of the olive oil market to bring it into line with the new arrangements arising from the reform of the CAP (Table II).

**455. Seeds.** On 17 December, by derogation from the arrangements under the CMO in the seeds sector <sup>(8)</sup>, and in the context of a transition before the entry into force of the reform of the CAP (→ point 435), the Council fixed the amounts of aid granted in the sector for the 2004–05 marketing year only (Table II).

**456. Flax and hemp.** On 21 November <sup>(9)</sup>, the Commission presented a report on production trends for flax and hemp grown for fibres since the reform of the common organisation of the market in this sector <sup>(10)</sup>. At the same time, it proposed extending for two marketing years the possibility to derogate for certain impurities, provided for in the regulation referred to (Table II).

**457. Tobacco.** On 12 May, the Commission proposed consolidating Council Regulation (EEC) No 2075/92 on the CMO in the raw tobacco sector to make Community law simpler and clearer (Table II). On 13 October <sup>(11)</sup>, it presented a report on the use of Community Tobacco Fund appropriations. On 17 December, the Council adopted an amendment to Regulation (EEC) No 2075/92 concerning the financing of the Fund (Table II).

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<sup>(1)</sup> OJ L 175, 4.8.1971.

<sup>(2)</sup> COM(2003) 571; Bull. 9-2003, point 1.3.80.

<sup>(3)</sup> OJ L 157, 30.5.1998.

<sup>(4)</sup> Regulation (EC) No 2321/2003 (OJ L 345, 31.12.2003; Bull. 12-2003, point 1.3.131).

<sup>(5)</sup> Bull. 6-2003, point 1.3.92.

<sup>(6)</sup> OJ L 214, 4.8.1987.

<sup>(7)</sup> Bull. 11-2003, point 1.3.97.

<sup>(8)</sup> Council Regulation (EEC) No 2358/71 (OJ L 246, 5.11.1971).

<sup>(9)</sup> COM(2003) 701; Bull. 11-2003, point 1.3.98.

<sup>(10)</sup> Regulation (EC) No 1673/2000 (OJ L 193, 29.7.2000; 2000 General Report, point 397).

<sup>(11)</sup> COM(2003) 599; Bull. 10-2003, point 1.3.106.

458. *Wine*. On 7 March <sup>(1)</sup>, the Commission proposed authorising the import into the Community of certain wines originating in Australia which were likely to have undergone oenological practices not provided for by Community rules <sup>(2)</sup>. The Council granted a similar authorisation for wines originating in Argentina on 17 March <sup>(3)</sup> and extended it on 29 September <sup>(4)</sup>. On 17 December <sup>(5)</sup>, such authorisation was extended also up to the end of 2005 for wines originating in the United States. On 16 September <sup>(6)</sup>, an agreement was signed between the Community and Canada to phase out the generic use of 21 EU wine names to classify Canadian wines.

## Livestock products

459. *Milk*. In its report of 2 July <sup>(7)</sup>, the Commission presented a technical assessment of the various aspects of standardising the protein content of milk for conservation and consumption. By Regulation (EC) No 1805/2003 of 13 October the Council extended to 30 April 2009 the period in which specific transitional measures on the fat content of milk for human consumption produced in Finland and Sweden could be adopted (Table II). On 29 September, as part of the review of the CAP (→ point 435), the Council adopted Regulations (EC) Nos 1787/2003 and 1788/2003 amending the mechanisms relating to the common organisation of the market in milk and milk products. On 5 December, the current system of statistics for this sector was amended (→ point 144).

460. *Honey*. In a resolution of 9 October <sup>(8)</sup> Parliament referred to the difficulties faced by the European beekeeping sector. On 2 December, the Commission proposed consolidating Regulation (EC) No 1221/97 on measures to improve the production and marketing of honey, but not to make substantive amendments to the reorganised regulations (Table II).

461. *Eggs*. On 6 August <sup>(9)</sup>, the Commission presented a report on trends in the consumption, washing and marking of eggs and proposed amending Regulation (EEC) No 1907/90 on certain marketing rules for these products <sup>(10)</sup>. This amendment was ratified by the Council on 17 November <sup>(11)</sup>.

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<sup>(1)</sup> COM(2003) 89; Bull. 3-2003, point 1.3.96.

<sup>(2)</sup> Council Regulation (EC) No 1493/1999 (OJ L 179, 14.7.1999; 1999 General Report, point 499).

<sup>(3)</sup> Regulation (EC) No 527/2003 (OJ L 78, 25.3.2003; Bull. 3-2003, point 1.3.97).

<sup>(4)</sup> Regulation (EC) No 1776/2003 (OJ L 260, 11.10.2003; Bull. 9-2003, point 1.3.82).

<sup>(5)</sup> Regulation (EC) No 2324/2003 (OJ L 345, 31.12.2003; Bull. 12-2003, point 1.3.134).

<sup>(6)</sup> Bull. 9-2003, point 1.3.83.

<sup>(7)</sup> COM(2003) 372; Bull. 7/8-2003, point 1.3.140.

<sup>(8)</sup> Bull. 10-2003, point 1.3.110.

<sup>(9)</sup> COM(2003) 479; Bull. 7/8-2003, point 1.3.141.

<sup>(10)</sup> OJ L 173, 6.7.1990.

<sup>(11)</sup> Regulation (EC) No 2052/2003 (OJ L 305, 22.11.2003; Bull. 11-2003, point 1.3.101).

462. *Pigmeat*. In order to simplify Community law, on 26 May the Commission proposed consolidating Council Regulation (EEC) No 2759/75 on the CMO in pigmeat (Table II).

## Other measures

### Food aid

463. On 30 June the 1999 Food Aid Convention was extended for two years (→ point 452). In 2003, the Union spent EUR 200 million on a food aid programme for the needy in the EU. Food aid for developing countries is covered in Section 4 ('Development cooperation') of Chapter VI (→ point 822).

### State aid schemes

464. These are covered in Section 6 ('Competition policy') of this chapter (→ points 271 to 274).

### Farm accountancy data network (FADN) <sup>(1)</sup>

465. In 2003 the FADN published microeconomic agricultural statistics for the 15 Member States, principally on farm incomes and production costs. These data, representative of farm types and sizes at regional level, were used for analytical work both in and outside the Commission, including an impact analysis of the reform proposals for certain agricultural sectors and an assessment of the effects of modulation. On 17 November, the Council amended Regulation No 79/65/EEC establishing the FADN <sup>(2)</sup>, giving the Management Committee the power to amend the list of districts so as to reflect better the different conditions of agriculture in the Member States and to make some of the network's operating costs eligible for Community financing (Table II).

### Advisory committees and relations with professional organisations <sup>(3)</sup>

466. At the 83 meetings of advisory committees and working parties held in 2003, the Commission maintained a dialogue on CAP developments, including the mid-term review, with representatives of producers, processors, traders, consumers, workers and environmental protection and rural development organisations.

<sup>(1)</sup> [http://europa.eu.int/comm/agriculture/rica/index\\_en.cfm](http://europa.eu.int/comm/agriculture/rica/index_en.cfm).

<sup>(2)</sup> OJ 109, 23.6.1965. Previous amendment: Regulation (EC) No 1256/97 (OJ L 174, 2.7.1997; 1997 General Report, point 634).

<sup>(3)</sup> [http://europa.eu.int/comm/agriculture/consultations/adco/index\\_en.htm](http://europa.eu.int/comm/agriculture/consultations/adco/index_en.htm).

## Agricultural management and regulatory committees <sup>(1)</sup>

467. The committees' activities are given in Table 13.

**Table 13**

Committee	1 January to 31 December 2003			
	Meetings <sup>(1)</sup>	Opinions for	No opinion	Opinions against
Management Committee for Cereals	45	603	81	0
Management Committee for Pigmeat	12	18	0	0
Management Committee for Poultrymeat and Eggs	11	58	1	0
Management Committee for Fresh Fruit and Vegetables	17	37	7	0
Management Committee for Wine	19	37	2	0
Management Committee for Milk and Milk Products	22	123	18	0
Management Committee for Beef and Veal	21	81	4	0
Management Committee for Sheep and Goats	7	4	0	0
Management Committee for Oils and Fats	14	13	12	0
Management Committee for Sugar	37	143	9	0
Management Committee for Live Plants and Floriculture Products	0	0	0	0
Management Committee for Products processed from Fruit and Vegetables	15	18	0	0
Management Committee for Tobacco	4	5	0	0
Management Committee for Hops	1	1	0	0
Management Committee for Natural Fibres	5	5	0	0
Management Committee for Seeds	0	0	0	0
Management Committee for Dried Fodder	1	1	0	0
Implementation Committee for Spirit Drinks	3	0	0	0
Implementation Committee for Aromatised Wine-based Drinks	0	0	0	0
Management Committee for Bananas	5	8	0	0
Joint meetings of management committees <sup>(1)</sup>	33	27	6	0
Management Committee for Direct Payments	3	5	1	0
EAGGF Committee	15	17	0	0
Committee on Agricultural Structures and Rural Development	9	59	0	0
Community Committee on the Farm Accountancy Data Network	4	3	0	0
Standing Committee on Agricultural Research	1	0	0	0
Standing Forestry Committee	5	0	0	0
Regulatory Committee on Organic Farming	6	4	0	0
Regulatory Committee on Protected Geographical Indications and Designations of Origin <sup>(2)</sup>	5	2	0	0
Regulatory Committee on Certificates of Specific Character <sup>(2)</sup>	0	0	0	0
Management Committee on the Conservation, Characterisation, Collection and Utilisation of Genetic Resources in Agriculture	2	0	0	0
Joint meetings of regulatory committees	0	0	0	0

<sup>(1)</sup> Including those devoted to trade mechanisms (10 meetings), promoting agricultural products (11 meetings), and agrimonetary matters (two meetings).

<sup>(2)</sup> For agricultural and food products.

<sup>(1)</sup> [http://europa.eu.int/comm/agriculture/minco/index\\_en.htm](http://europa.eu.int/comm/agriculture/minco/index_en.htm).

## Financing the common agricultural policy: the EAGGF <sup>(1)</sup>

468. *Appropriations in the 2003 budget* totalled EUR 44 780.45 million, broken down as follows (million EUR):

• Crop products	26 176.0
• Livestock products	13 098.95
• Ancillary expenditure	1 307.5
• Clearance, reductions/suspensions, appropriations, provisions	– 500.0
Total (Subheading 1a)	40 082.45
• Rural development	4 698.0
Total (Subheading 1b)	4 698.0
Guarantee Section total	44 780.45

469. *Appropriations in the 2004 budget.* When the 2004 budget was adopted on 18 December (→ point 1022), the appropriations allocated to the EAGGF Guarantee Section were EUR 44 761.4 million for the EU-15. Table 14 shows, by chapter, expenditure from 2000 to 2002 and the initial allocations in the 2003 and 2004 budgets.

470. *Financial reports.* On 12 November, the Commission adopted its 32nd financial report on the EAGGF Guarantee Section for the 2002 financial year <sup>(2)</sup>. In accordance with Council Regulation (EC) No 2040/2000 on budgetary discipline <sup>(3)</sup>, the monetary reserve was abolished with effect from the 2003 financial year.

471. *Clearance of Member States' accounts (EAGGF Guarantee Section expenditure).* The Commission adopted six clearance decisions: on 10 April <sup>(4)</sup> for the 2000 financial year, relating to the paying agency in Greece; on 7 May <sup>(5)</sup> for the 2002 financial year; on 14 February <sup>(6)</sup>, 15 May <sup>(7)</sup> and 22 July <sup>(8)</sup> excluding from Community financing certain expenditure incurred by the Member States; on 27 June <sup>(9)</sup>, on the financial treatment applied in certain cases of irregularities by operators. In its resolution of 30 January <sup>(10)</sup>, Parliament, referring to the appraisals of the Court of Auditors in its annual report on 2001 <sup>(11)</sup>,

<sup>(1)</sup> [http://europa.eu.int/comm/agriculture/fin/index\\_en.htm](http://europa.eu.int/comm/agriculture/fin/index_en.htm).

<sup>(2)</sup> COM(2003) 680; Bull. 11-2003, point 1.3.102.

<sup>(3)</sup> OJ L 244, 29.9.2000; 2000 General Report, point 1050.

<sup>(4)</sup> Decision 2003/273/EC (OJ L 99, 17.4.2003).

<sup>(5)</sup> Decision 2003/313/EC (OJ L 114, 8.5.2003).

<sup>(6)</sup> Decision 2003/102/EC (OJ L 42, 15.2.2003).

<sup>(7)</sup> Decision 2003/364/EC (OJ L 124, 20.5.2003).

<sup>(8)</sup> Decision 2003/536/EC (OJ L 184, 23.7.2003).

<sup>(9)</sup> Decision 2003/481/EC (OJ L 160, 28.6.2003).

<sup>(10)</sup> Bull. 1/2-2003, point 1.3.166.

<sup>(11)</sup> OJ C 295, 28.11.2002; 2002 General Report, point 1103.

**Table 14**

<b>EAGGF Guarantee Section expenditure, by sector <sup>(1)</sup></b>					
<i>(million EUR)</i>					
<b>Sector or type of measure</b>	<b>Expenditure 2000</b>	<b>Expenditure 2001 <sup>(2)</sup></b>	<b>Expenditure 2002</b>	<b>Appropriations 2003 <sup>(2)</sup></b>	<b>Appropriations 2004 <sup>(2)</sup></b>
Arable crops <sup>(4)</sup>	16 663.1	17 466.2	18 590.1	16 790.0	17 568.0
Sugar	1 910.2	1 497.1	1 395.9	1 482.0	1 538.0
Olive oil	2 210.1	2 523.8	2 329.3	2 341.0	2 364.0
Dried fodder and dried legumes	381.3	374.8	388.3	389.0	384.0
Fibre plants	991.4	826.3	816.4	908.0	885.0
Fruit and vegetables	1 551.3	1 558.0	1 551.4	1 609.0	1 598.0
Wine	765.5	1 196.7	1 348.7	1 381.0	1 214.0
Tobacco	987.1	973.4	963.2	973.0	941.4
Other crop sectors or products	350.0	297.4	303.0	303.0	297.0
Milk and milk products	2 544.3	1 906.6	2 360.0	2 672.0	2 546.0
Beef and veal	4 539.6	6 054.0	7 071.9	8 404.0	8 032.0
Sheepmeat and goatmeat	1 735.6	1 447.3	552.4	1 805.0	1 530.0
Pigmeat, eggs and poultry, other	446.9	137.1	119.2	203.5	156.5
Fishery products	9.4	13.4	15.3	14.45	15.2
Non-Annex I products	572.2	435.6	409.7	415.0	415.0
Food programmes	308.9	281.8	242.7	306.0	299.0
POSEI programmes	226.9	183.6	210.0	264.0	283.0
Veterinary and plant-health measures	—	565.5	222.5	190.0	204.9
Monitoring and preventive measures	74.6	32.1	31.0	48.0	26.9
Clearance and reductions/suspensions (B1-10 to 39)	- 1 077.9	- 569.7	- 235.0	- 500.0	- 400.0
Promotion and information measures	48.7	48.9	20.3	66.5	66.0
Other measures <sup>(5)</sup>	933.1	469.8	158.6	18.0	- 5.5
<b>Subheading 1a total</b>	<b>36 172.2</b>	<b>37 719.7</b>	<b>38 864.9</b>	<b>40 082.45</b>	<b>39 958.41</b>
Subceiling 1a	37 352.0	40 035.0	41 992.0	42 680.0	42 408.0
Margin	1 179.8	2 315.3	3 127.1	2 597.55	2 449.59
<b>Rural development and accompanying measures (Subheading 1b)</b>	<b>4 176.4</b>	<b>4 363.8</b>	<b>4 349.4</b>	<b>4 698.0</b>	<b>4 803.0</b>
Subceiling 1b	4 386.0	4 494.5	4 595.0	4 698.0	4 803.0
Margin	209.6	125.7	245.6	0	0
<b>Total (1a + 1b)</b>	<b>40 348.6</b>	<b>42 088.5</b>	<b>43 214.3</b>	<b>44 780.45</b>	<b>44 761.41</b>
Guideline	46 549.0	48 788.0	50 867.0	51 889.0	53 622.0
Margin	6 200.4	6 699.5	7 652.7	7 108.55	8 860.59

<sup>(1)</sup> In accordance with the nomenclature in the 2003 draft budget.

<sup>(2)</sup> Including the appropriations entered in Chapter B-40 (reserves and provisions). Not including the monetary reserve entered in Chapter B1-609.

<sup>(3)</sup> Commitment appropriations entered in the budget for 2004 (EU-15), including the appropriations entered in reserves and provisions.

<sup>(4)</sup> Cereals, oilseeds, protein crops and set-aside.

<sup>(5)</sup> From the 1996 budget, this chapter mainly covers agrimonetary aids.

noted that the reform of procedure for the clearance of accounts forming part of the budgetary discipline introduced in 2000 <sup>(1)</sup> had made the Member States more responsible but had not speeded up the clearance procedure for any given year. It called on the Commission to consider new legislative initiatives in this field.

<sup>(1)</sup> OJ L 244, 29.9.2000; 2000 General Report, point 1050.

472. *Integrated administration and control system (IACS)*. In its resolution of 30 January (→ point 471), Parliament asked the Commission to suspend or reduce payments under the CAP to Member States which had not implemented the IACS.

## **Pre-accession instruments**

473. These are covered in Section 5 ('Pre-accession strategy') of Chapter II (→ points 64 and 69).

## **International cooperation**

474. *Negotiations in the World Trade Organisation (WTO)*. In its resolution of 12 February <sup>(1)</sup>, Parliament argued that the priority for the current agricultural negotiating round should be to define the trade rules so as to stimulate agricultural development, employment and the fight against poverty in the developing countries, while retaining the essential objectives of the CAP as regards multifunctional agriculture. It also noted that the rules governing agricultural trade should comply with the objectives of high-quality food, rural development, the protection of the environment and animal welfare. Other information on these multilateral negotiations may be found in Section 3 ('Common commercial policy') of Chapter VI (→ points 782 et seq.).

475. *Morocco*. On 22 December, the Council decided to conclude two new protocols linked to the association agreement with Morocco to allow greater liberalisation of trade in agricultural products between the Community and that country (Table III).

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(1) Bull. 1/2-2003, point 1.3.158.

## Section 14

# Fisheries <sup>(1)</sup>

## Overview

476. *Following on from the reform of the common fisheries policy in 2002, the highlight of 2003 was the adoption of a series of policy papers seeking to give effect to certain aspects of the reform. Documents were therefore adopted concerning: the uniform and effective implementation of the common policy; management measures for the sustainable exploitation of fisheries resources in the Mediterranean; compliance with the rules of the common fisheries policy; measures for the recovery of certain stocks; the introduction of regional advisory councils. In addition, the Community paid particular attention to the fishing industry in the outermost regions: measures were adopted for a scheme to offset the additional costs incurred in disposing of fishery products from some of those regions. The Community also played an active role in organising the Ministerial Conference for the Sustainable Development of Fisheries in the Mediterranean, which took place in Venice, in November.*

## General

477. *Reform of the common fisheries policy (CFP) <sup>(2)</sup>. The action programme presented by the Commission on 28 May 2002 <sup>(3)</sup> to reform the CFP gave rise to the adoption of new positions. On 16 January <sup>(4)</sup>, the European Parliament called for the development of a CFP linked to the Union's external, development and trade policies, which would be able to encourage, at international level, the principles of fishing that is responsible and consistent with the interests of the Community fleet. It insisted also on the need to guarantee the fundamental labour rights of all fishermen. On 12 February <sup>(5)</sup>, the Committee of the Regions welcomed the Commission proposals and insisted as a priority that the sector must be sustainable.*

In the same context, the Commission communication of 19 September 2002 on 'A strategy for the sustainable development of European aquaculture' <sup>(6)</sup> was also the subject of a range of positions. On 16 January <sup>(7)</sup>, Parliament recommended a series of measures, including stepping up research, encouraging the adoption of farming techniques which respect the welfare of fish and the environment generally, subsidies for young people setting up in business and for the modernisation and transfer of farms. The Commission

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/fisheries/index\\_en.htm](http://europa.eu.int/comm/dgs/fisheries/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/fisheries/reform/index\\_en.htm](http://europa.eu.int/comm/fisheries/reform/index_en.htm).

<sup>(3)</sup> COM(2002) 181; 2002 General Report, point 434.

<sup>(4)</sup> Bull. 1/2-2003, point 1.3.168.

<sup>(5)</sup> O J C 128, 29.5.2003; Bull. 1/2-2003, point 1.3.169.

<sup>(6)</sup> COM(2002) 511; 2002 General Report, point 434.

<sup>(7)</sup> Bull. 1/2-2003, point 1.3.170.

approach was also welcomed by the Council which, in its conclusions of 27 January <sup>(1)</sup>, recognised the increasing role of aquaculture as part of the reform of the CFP. The European Economic and Social Committee, in an opinion of 15 May <sup>(2)</sup>, also welcomed the Commission's strategy. A number of measures were suggested in addition by the Committee of the Regions in an opinion of 2 July <sup>(3)</sup>.

On 15 October <sup>(4)</sup>, the Commission presented a proposal for a Council decision establishing regional advisory councils under the CFP. The setting up of these councils, provided for in Council Regulation (EC) No 2371/2002 on the conservation and sustainable exploitation of fisheries resources <sup>(5)</sup>, offers the possibility of responding to the request of stakeholders to be more closely involved in the framing of the common policy.

Other aspects of the reform, such as the implementation of the CFP (→ point 478) and the environmental dimension (→ point 493), are dealt with under more specific headings in this section.

**478. *Implementing the CFP.*** In a communication adopted on 21 March on the uniform and effective implementation of the CFP <sup>(6)</sup>, the Commission proposed two measures: firstly, an action plan on European cooperation in enforcement; secondly, setting up a joint inspection structure to effectively coordinate inspection and enforcement activities by the national authorities involved. The Commission envisages the gradual pooling of national resources, leading to the setting up of a Community fisheries control agency. On 11 June <sup>(7)</sup>, following on this communication, the Commission proposed a compliance plan covering the period 2003–05. It provides for a new information instrument, the 'compliance scoreboard' <sup>(8)</sup>, giving details of Member States' compliance with their obligations with regard to the conservation of fishery resources, fleet management, structural policy, control and enforcement, and an overview of the infringement procedures initiated by the Commission. These various approaches attracted the attention of the Council which, in its conclusions of 22 July <sup>(9)</sup>, called for the rules on inspection and enforcement of the CFP to be consolidated in a single regulation. Parliament too expressed its views on the Commission communication, in a resolution of 23 October <sup>(10)</sup>.

**479. *Multiannual guidance programmes for fishing fleets (MAGPs).*** On 21 August, the Commission adopted the annual report on the results of the MAGPs at the end of 2002 <sup>(11)</sup>.

<sup>(1)</sup> Bull. 1/2-2003, point 1.3.171.

<sup>(2)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.3.105.

<sup>(3)</sup> OJ C 265, 24.10.2003; Bull. 7/8-2003, point 1.3.14.

<sup>(4)</sup> COM(2003) 607; Bull. 10-2003, point 1.3.111.

<sup>(5)</sup> OJ L 358, 31.12.2002; 2002 General Report, point 438.

<sup>(6)</sup> COM(2003) 130; Bull. 3-2003, point 1.3.98.

<sup>(7)</sup> COM(2003) 344; Bull. 6-2003, point 1.3.93.

<sup>(8)</sup> [http://europa.eu.int/comm/fisheries/scoreboard/index\\_en.htm](http://europa.eu.int/comm/fisheries/scoreboard/index_en.htm).

<sup>(9)</sup> Bull. 7/8-2003, point 1.3.145.

<sup>(10)</sup> Bull. 10-2003, point 1.3.112.

<sup>(11)</sup> COM(2003) 508; Bull. 7/8-2003, point 1.3.146.

This closes MAGP IV and reports on the state of progress of the programmes. It shows that all countries, apart from Belgium and the Netherlands, had met their global tonnage objectives at the end of 2002, and that only Denmark, Spain, Portugal, Finland and Sweden had met their objectives in all segments of their fleets. The annual report on the results of the MAGPs at the end of 2001 <sup>(1)</sup> was the subject of a resolution adopted by Parliament on 23 October <sup>(2)</sup>.

480. *Control of unlawful conduct.* In a communication of 15 December <sup>(3)</sup>, the Commission, as it does each year, drew up a general table showing the situation regarding serious breaches of the rules of the CFP detected by the national authorities in 2002. The number of cases reported was down on the two previous years.

## Resource conservation and management

### Internal aspects

481. Regulation (EC) No 2371/2002, adopted by the Council on 20 December 2002 <sup>(4)</sup> as the new framework rules for the implementation of consistent management measures in the context of a multiannual strategy involving restrictions on fishing effort, entered into force on 1 January.

482. *Mediterranean.* The Community action plan presented by the Commission on 9 October 2002 for the conservation and sustainable exploitation of fish stocks in the Mediterranean <sup>(5)</sup> was the subject, on 26 March <sup>(6)</sup>, of an opinion of the European Economic and Social Committee, which called for great vigilance regarding environmental and social action, and, on 19 June <sup>(7)</sup>, of a resolution of the European Parliament, which welcomed the decentralised approach promoted by the Commission and invited it to assess in greater depth the impact of the reform of the CFP, in particular the socioeconomic repercussions, on the action plan. On 9 October, the Commission took a further step forward, by presenting a proposal for a regulation amending the rules in force <sup>(8)</sup> and introducing new technical measures and management plans in the Mediterranean. The Community also played an active role in organising the Ministerial Conference for the Sustainable Development of Fisheries in the Mediterranean, which was held in Venice in November. The Conference reaffirmed the commitment of bordering countries to provide better protection for resources in the area, mainly through coordination of action against illegal

<sup>(1)</sup> COM(2002) 446; 2002 General Report, point 435.

<sup>(2)</sup> Bull. 10-2003, point 1.3.117.

<sup>(3)</sup> COM(2003) 782; Bull. 12-2003, point 1.3.143. Preceding communication: COM(2002) 687; 2002 General Report, point 436.

<sup>(4)</sup> OJ L 358, 31.12.2002; 2002 General Report, point 438.

<sup>(5)</sup> COM(2002) 535; 2002 General Report, point 438.

<sup>(6)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.3.99.

<sup>(7)</sup> Bull. 6-2003, point 1.3.94.

<sup>(8)</sup> Regulation (EC) No 2847/93 (OJ L 261, 20.10.1993); Regulation (EC) No 973/2001 (OJ L 137, 19.5.2001).

fishing, the establishment of protection zones and the introduction of a system for monitoring fishing activities.

**483.** *Conservation of stocks.* In its conclusions of 8 April <sup>(1)</sup>, the Council stressed that the management of discards, recommended in the action plan for their reduction presented by the Commission on 26 November 2002 <sup>(2)</sup>, was an important step towards attaining sustainable fisheries, and called on the Commission to prepare strategies and specific measures to that end. Similar action was also recommended by Parliament in a resolution of 19 June <sup>(3)</sup>.

By Regulation (EC) No 882/2003 of 19 May (Table II), the Council established a tuna tracking and verification system making it possible to distinguish tuna that has been caught without risk to dolphins (dolphin-safe tuna) and incorporating in Community law the provisions of an agreement adopted within the InterAmerican Tropical Tuna Commission. On 24 July, with the aim of reducing accidental catches of cetaceans, the Commission proposed an amendment to Council Regulation (EC) No 88/98 for the conservation of fishery resources in the waters of the Baltic Sea, the Belts and the Sound (Table II). In a communication of 1 October <sup>(4)</sup>, the Commission set out a strategy for a Community action plan on the management of European eel. Legal drafting of a proposal for a regulation on the conservation of resources based on measures to protect juveniles of marine organisms continued (Table II).

**484.** *Rebuilding of stocks.* On 6 May, the Commission adopted a proposal for a regulation drawing up a definitive plan for the recovery of cod stocks within a period of five to ten years (Table II). Action of this nature had been recommended by Parliament in a resolution of 12 March on the socioeconomic crisis in the whitefish sector <sup>(5)</sup>. On 27 June, the Commission adopted a similar proposal for a regulation on stocks of northern hake (Table II). On 23 December, it proposed the adoption of two regulations laying down measures for the recovery of stocks of southern hake and Norway lobster (Table II) and sole (Table II) respectively.

**485.** *Monitoring of fishing activities.* The Commission continued to monitor compliance with total allowable catches (TACs), quotas and technical measures in Community waters and in certain international waters. Following the exhaustion of permitted fishing possibilities, 77 fisheries were closed. Infringement proceedings under way relating to overfishing in past years were pursued. The Commission also monitored compliance with conservation measures and fisheries agreements with northern and ACP countries, continued surveillance in the North-West Atlantic Fisheries Organisation (NAFO) <sup>(6)</sup> regulatory area

<sup>(1)</sup> Bull. 4-2003, point 1.3.74.

<sup>(2)</sup> COM(2002) 656; 2002 General Report, point 438.

<sup>(3)</sup> Bull. 6-2003, point 1.3.98.

<sup>(4)</sup> COM(2003) 573; Bull. 10-2003, point 1.3.113.

<sup>(5)</sup> Bull. 3-2003, point 1.3.100.

<sup>(6)</sup> [http://www.meds-sdmm.dfo-mpo.gc.ca/meds/Prog\\_Int/NAFO/NAFO\\_e.htm](http://www.meds-sdmm.dfo-mpo.gc.ca/meds/Prog_Int/NAFO/NAFO_e.htm).

and participated in the inspection scheme for the North-East Atlantic Fisheries Commission (NEAFC) <sup>(1)</sup> regulatory area. It also granted fishing licences for third-country vessels operating under fisheries agreements in Community waters. It arranged further meetings of the Member States' expert group to review progress on the introduction of the satellite-based vessel monitoring system. On 17 October, the Commission proposed amending the Community provisions governing the implementation, on Community vessels, of NAFO satellite observation and detection programmes (Table II). On 20 November, it proposed prolonging for two years the scheme <sup>(2)</sup> to assist Member States financially in establishing structures for the control, inspection and surveillance of fishing and related activities due to expire on 31 December (Table II).

In the interests of clarification, the Council, on 10 April <sup>(3)</sup>, and later on 18 June <sup>(4)</sup>, and 22 September <sup>(5)</sup>, amended certain provisions of Regulation (EC) No 2341/2002 fixing, for 2003, the fishing opportunities for certain fish stocks and groups of fish stocks <sup>(6)</sup>. It again amended this regulation on 8 December <sup>(7)</sup>, revising the TACs applicable to certain stocks of herring and anglerfish in 2003. On 19 December, the Council established, for 2004, the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks <sup>(8)</sup>.

**486. *Management of fishing effort.*** On 4 November (Table II), the Council adopted Regulation (EC) No 1954/2003 on the management of the fishing effort relating to certain Community fishing areas and resources and modifying Regulation (EEC) No 2847/93 <sup>(9)</sup> and repealing Regulations (EC) Nos 685/95 <sup>(10)</sup> and 2027/95 <sup>(11)</sup>. The regulation seeks to adapt to the new legal framework for the common fisheries policy certain provisions of Community law on the management of fishing effort in the 'western waters' (International Council for the Exploration of the Sea (ICES) areas V, VI, VII, VIII, IX and X and Fishery Committee for the Eastern Central Atlantic (CECAF) divisions 34.1.1, 34.1.2 and 34.2.0). The provisions laid down by the scheme are intended mainly to protect the biologically sensitive situation of the waters around the Azores, Madeira, the Canary Islands and an area off the south and west of Ireland.

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<sup>(1)</sup> <http://www.neafc.org>.

<sup>(2)</sup> Council Decision 2001/431/EC (OJ L 154, 9.6.2001; 2001 General Report, point 480).

<sup>(3)</sup> Regulation (EC) No 671/2003 (OJ L 97, 15.4.2003; Bull. 4-2003, point 1.3.70).

<sup>(4)</sup> Regulation (EC) No 1091/2003 (OJ L 157, 26.6.2003; Bull. 6-2003, point 1.3.99).

<sup>(5)</sup> Regulation (EC) No 1754/2003 (OJ L 252, 4.10.2003; Bull. 9-2003, point 1.3.85).

<sup>(6)</sup> OJ L 356, 31.12.2002; 2002 General Report, point 438.

<sup>(7)</sup> Regulation (EC) No 2192/2003 (OJ L 328, 17.12.2003; Bull. 12-2003, point 1.3.145).

<sup>(8)</sup> Regulation (EC) No 2287/2003 (OJ L 344, 31.12.2003; Bull. 12-2003, point 1.3.144).

<sup>(9)</sup> OJ L 261, 20.10.1993.

<sup>(10)</sup> OJ L 71, 31.3.1995.

<sup>(11)</sup> OJ L 199, 24.8.1995.

## External aspects

**487.** *Participation of the Community in the work of international fisheries organisations.* The Community participated in the work of a number of organisations, including the North-West Atlantic Fisheries Organisation (NAFO) <sup>(1)</sup>, the North-East Atlantic Fisheries Commission (NEAFC) <sup>(2)</sup>, the North Atlantic Salmon Conservation Organisation (NASCO) <sup>(3)</sup>, the General Fisheries Commission for the Mediterranean (GFCM) <sup>(4)</sup>, the Indian Ocean Tuna Commission (IOTC) <sup>(5)</sup>, the International Commission for the Conservation of Atlantic Tunas (ICCAT) <sup>(6)</sup>, the International Baltic Sea Fishery Commission (IBSFC) <sup>(7)</sup>, the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) <sup>(8)</sup>, the Fisheries Committee of the Organisation for Economic Cooperation and Development (OECD), and the Standing Committee of the European Convention for the Protection of Animals kept for Farming Purposes concluded under the auspices of the Council of Europe. It participated in the work of fisheries consultative bodies established by the Food and Agriculture Organisation of the United Nations (FAO) <sup>(9)</sup>: the Fishery Committee for the Eastern Central Atlantic (CECAF), the Western Central Atlantic Fishery Commission (WECAFC), the Committee on Fisheries and the Committee on Aquaculture of the GFCM. It also took part as an observer in the preparatory work for the establishment of the new organisation for tuna stock management in the western central Pacific.

On 8 April, the Council adopted two regulations enabling account to be taken in Community rules of recommendations and measures adopted by international fisheries organisations: Regulation (EC) No 669/2003 amends Regulation (EC) No 1035/2001 establishing a catch documentation scheme for *Dissostichus spp.* under the auspices of the CCAMLR (Table II); Regulation (EC) No 1984/2003 introduces into the Community a system for the statistical monitoring of trade in bluefin tuna, swordfish and bigeye tuna following on the work of ICCAT. On 13 June, the Commission proposed technical amendments to Regulation (EC) No 2791/1999 laying down certain control measures applicable in the area covered by the Convention on future multilateral cooperation in the North-East Atlantic fisheries (Table II).

**488.** *Fisheries agreements with third countries and the overseas countries and territories.* The Council adopted instruments on the signing, conclusion, provisional application, extension or renewal of fisheries agreements or protocols annexed to the fisheries agreements with the Côte d'Ivoire (Table III), Guinea (Table III), Kiribati (Table III), Mauritius (Table III), and Mozambique (Table III). On 15 July, the Council also authorised Spain

<sup>(1)</sup> [http://www.meds-sdmm.dfo-mpo.gc.ca/meds/Prog\\_Int/NAFO/NAFO\\_e.htm](http://www.meds-sdmm.dfo-mpo.gc.ca/meds/Prog_Int/NAFO/NAFO_e.htm).

<sup>(2)</sup> <http://www.neafc.org/>.

<sup>(3)</sup> <http://www.nasco.int/>.

<sup>(4)</sup> [http://www.fao.org/fi/body/rfb/GFCM/gfcm\\_home.htm](http://www.fao.org/fi/body/rfb/GFCM/gfcm_home.htm).

<sup>(5)</sup> <http://www.iotc.org/English/index.php>.

<sup>(6)</sup> <http://www.iccat.es/>.

<sup>(7)</sup> <http://www.ibsfc.org/>.

<sup>(8)</sup> <http://www.ccamlr.org/>.

<sup>(9)</sup> [http://www.fao.org/fi/default\\_all.asp](http://www.fao.org/fi/default_all.asp).

and Portugal to prolong their fisheries agreements with South Africa to March and April 2004 <sup>(1)</sup>. The protocols concluded in 2002 with São Tomé and Príncipe and Senegal entered into force on 9 July <sup>(2)</sup> and 1 August <sup>(3)</sup> respectively.

On 24 February <sup>(4)</sup>, the Council, welcoming the Commission's communication of 3 December 2002 <sup>(5)</sup> on the mid-term review of the fourth protocol on fisheries between the European Union and Greenland <sup>(6)</sup>, authorised the Commission to conduct negotiations for the review in accordance with an approach for which it would issue directives. Parliament too supported this process on 3 September <sup>(7)</sup>. The new instrument was initialled on 18 June, and on 16 October <sup>(8)</sup> the Commission proposed concluding it and applying some of its provisions temporarily. On 15 December, the Council approved this temporary application covering exploratory fishing and a budget support programme <sup>(9)</sup>.

Referring, on 14 May <sup>(10)</sup>, to the Commission communication of 23 December 2002 on an integrated framework for fisheries partnership agreements with third countries <sup>(11)</sup>, the European Economic and Social Committee thought that fisheries partnerships should be essentially commercial in nature and promote the sustainable development of the sector. This approach was endorsed by Parliament in a resolution of 9 October <sup>(12)</sup>.

**489.** *Agreements on fishery products with applicant countries.* Information concerning these agreements is contained in Section 5 ('Pre-accession strategy') of Chapter II (→ point 61).

## Market organisation

**490.** *Guide prices.* On 19 December, the Council set guide prices for fisheries for the 2004 fishing year <sup>(13)</sup>.

**491.** *Outermost regions.* On 22 December, the Council adopted a regulation establishing a scheme to compensate for the additional costs incurred in the marketing of certain fishery products from the Azores, Madeira, the Canary Islands and the French departments of Guiana and Réunion (Table II) as a result of those regions' remoteness. The scheme

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<sup>(1)</sup> Decisions 2003/538/EC and 2003/539/EC (OJ L 185, 24.7.2003; Bull. 7/8-2003, points 1.3.154 and 1.3.155).

<sup>(2)</sup> Bull. 7/8-2003, point 1.3.158.

<sup>(3)</sup> Bull. 7/8-2003, point 1.3.159.

<sup>(4)</sup> Bull. 1/2-2003, point 1.3.175.

<sup>(5)</sup> COM(2002) 697; 2002 General Report, point 443.

<sup>(6)</sup> OJ L 209, 2.8.2001; 2001 General Report, point 492.

<sup>(7)</sup> Bull. 9-2003, point 1.3.87.

<sup>(8)</sup> COM(2003) 609; Bull. 10-2003, point 1.3.122.

<sup>(9)</sup> Bull. 12-2003, point 1.3.152.

<sup>(10)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.3.108.

<sup>(11)</sup> COM(2002) 637; 2002 General Report, point 434.

<sup>(12)</sup> Bull. 10-2003, point 1.3.121.

<sup>(13)</sup> Regulation (EC) No 2326/2003 (OJ L 345, 31.12.2003; Bull. 12-2003, point 1.3.158).

follows on action taken up to now through the adoption of a legal instrument enabling a stable reference framework to be put in place for the economic players concerned. The Commission had presented a report <sup>(1)</sup> on the implementation of the scheme on 1 October. It concluded that the scheme had afforded lasting stability of operating conditions to the players concerned throughout its implementation period and had contributed significantly to maintaining employment in regions where there are very few other opportunities. It considered it appropriate also that the legal framework of the scheme be adapted to ensure that the goals for which it was established be properly attained.

492. *Marketing standards for sardines.* As a result of a decision by the World Trade Organisation's disputes settlement panel in a dispute between the Community and Peru, the Commission adopted Regulation (EC) No 1181/2003 <sup>(2)</sup> amending Council Regulation (EEC) No 2136/89 laying down common marketing standards for preserved sardines <sup>(3)</sup>. The regulation stipulates that, in the interest of market transparency, fair competition and variety of choice, these preserved products must be prepared exclusively from well-defined species. It therefore lays down rules applicable to trade descriptions of preserved products marketed and presented in the same way as preserved sardines in the Community, in order to provide consumers with sufficient information about the identity and the main characteristics of the product.

## Fisheries and the environment <sup>(4)</sup>

493. In its conclusions of 27 January <sup>(5)</sup>, the Council welcomed the action plan to integrate environmental requirements into the common fisheries policy presented by the Commission on 28 May 2002 <sup>(6)</sup>. On 26 June, under Regulation (EC) No 1185/2003, the Council banned the removal of shark fins on board vessels (Table II). On 27 August, the Commission proposed a permanent ban on the use of bottom trawls in an area located off the north-west of Scotland to protect coral reefs (Table II).

## Structural action

494. *Socioeconomic action plan.* In an opinion adopted on 14 May <sup>(7)</sup> on the action plan presented by the Commission on 6 November 2002 <sup>(8)</sup> to alleviate the social, economic and regional consequences of the restructuring of the EU fishing industry, the European Economic and Social Committee referred to the difficulties for jobs arising from the

<sup>(1)</sup> COM(2003) 574; Bull. 10-2003, point 1.3.91.

<sup>(2)</sup> OJ L 165, 3.7.2003.

<sup>(3)</sup> OJ L 212, 22.7.1989.

<sup>(4)</sup> [http://europa.eu.int/comm/fisheries/doc\\_et\\_publ/factsheets/facts/en/pcp8\\_1.htm](http://europa.eu.int/comm/fisheries/doc_et_publ/factsheets/facts/en/pcp8_1.htm).

<sup>(5)</sup> Bull. 1/2-2003, point 1.3.172.

<sup>(6)</sup> COM(2002) 186; 2002 General Report, point 447.

<sup>(7)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.3.113.

<sup>(8)</sup> COM(2002) 600; 2002 General Report, point 449.

restructuring. The action plan was the subject also, on 4 June <sup>(1)</sup>, of a resolution of Parliament, which called for additional special funding to counter any harmful socioeconomic repercussions of the restructuring measures.

495. *Impact of failure to renew the fisheries agreement with Morocco.* In order to overcome certain difficulties in implementing Regulation (EC) No 2561/2001 <sup>(2)</sup> aiming to promote the conversion of fishing vessels and of fishermen that were, up to 1999, dependent on the fishing agreement with Morocco <sup>(3)</sup>, and in response to an invitation from Parliament, of 27 March <sup>(4)</sup>, the Council amended the regulation, on 17 December (Table II), with the aim, among other things, of deleting the provisions restricting certain individual flat-rate allowances.

496. *Detailed rules and arrangements regarding structural assistance.* On 5 November, the Commission proposed amending Regulation (EC) No 2792/1999 <sup>(5)</sup> laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector (Table II) to make it possible for the Financial Instrument for Fisheries Guidance (FIFG) (→ point 414) to contribute better to implementing the strategy for the sustainable development of European aquaculture adopted as part of the reform of the CFP (→ point 477).

497. *Outermost regions.* On 2 May the Commission adopted a proposal for a regulation on the management of fishing fleets registered in those regions (→ point 426).

## State aid schemes

498. State aids are covered in Section 6 ('Competition policy') of this chapter (→ points 271 et seq.).

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<sup>(1)</sup> Bull. 6-2003, point 1.3.103.

<sup>(2)</sup> OJ L 344, 28.12.2001; 2001 General Report, point 491.

<sup>(3)</sup> OJ L 30, 31.1.1997; 1996 General Report, point 549.

<sup>(4)</sup> Bull. 3-2003, point 1.3.104.

<sup>(5)</sup> OJ L 337, 30.12.1999. Regulation last amended by Regulation (EC) No 2369/2002 (OJ L 358, 31.12.2002; 2002 General Report, point 448).



# Citizenship and quality of life

## Section I

### Area of freedom, security and justice <sup>(1)</sup>

#### Overview

499. *In 2003, following the Seville European Council in 2002, which attached a new level of priority to combating illegal immigration and establishing a common management of external borders so as to accelerate the attainment of an area of freedom, security and justice, the European Union pressed ahead with work on the definition of a balanced approach to asylum and immigration. In particular it defined a Community status for long-term residents who are nationals of third countries and laid down minimum standards for the reception of asylum seekers. Measures were also taken to secure more efficient management of external borders and enhanced police and customs cooperation. At the same time the Union continued the process of reducing administrative formalities linked to freedom of movement and residence within the Union, and important measures were taken as regards judicial cooperation both in civil and commercial matters and in criminal matters, which should facilitate access to justice in the event of cross-border disputes. On the eve of enlargement and of the deadline set by the Amsterdam Treaty for the completion of the area of freedom, security and justice, 2003 was a crucial year, also marked by proceedings for the establishment of a Constitutional Treaty incorporating the Charter of Fundamental Rights of the European Union.*

#### General

500. *Creation of the area of freedom, security and justice.* On 27 March Parliament welcomed the progress made in 2002 following the ambitious programmes set out by the

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(1) Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/justice\\_home/index\\_en.htm](http://europa.eu.int/comm/dgs/justice_home/index_en.htm)).

Spanish and Danish Presidencies for establishing an area of freedom, security and justice <sup>(1)</sup>. On 22 May <sup>(2)</sup> and 22 December <sup>(3)</sup> the Commission adopted the biannual updates of the scoreboard <sup>(4)</sup> to review progress in this field and presented its policy and institutional priorities for the second half of 2003. On 20 November <sup>(5)</sup> the Committee of the Regions highlighted the local and regional dimension of the area of freedom, security and justice and called for the adoption of corresponding operational measures.

## **Policy on visas, crossing of borders and internal movement <sup>(6)</sup>**

501. *Management of external borders.* On 15 January <sup>(7)</sup> Parliament approved the guidelines laid down by the Commission <sup>(8)</sup> and the Council <sup>(9)</sup> in 2002 for the integrated management of the external borders of the Member States of the European Union. It called for the harmonisation of operational practices, particularly as regards equipment and the training of border guards. On 8 May the Council noted that separate control lanes would have to be set up at external border-crossing points, except those with the acceding countries, and that this was a task for the Member States <sup>(10)</sup>. Greece presented an initiative published on 27 May, for a Council decision determining the minimum indications to be used on signs at external border crossing points (Table II). On 5 and 6 June <sup>(11)</sup> the Council determined the approach to be followed for reinforcing the operational role of the common unit for external border practitioners ('CSIFA +'). On 14 August the Commission put forward a proposal to lay down general rules on the criteria and conditions for establishing a regime of local border traffic by introducing a specific visa for that purpose, with the aim of facilitating the crossing of the Member States' land borders by bona fide border residents (Table II). It also proposed applying these rules to 'temporary external land borders' between the Member States (Table II). On 11 November, to secure a high level of controls and surveillance at all the Union's external borders, the Commission proposed establishing a European Agency for the Management of Operational Cooperation at the External Borders, responsible for assisting the Member States in the application of Community legislation and coordinating the operational aspects of cooperation here (Table II). The Council expressed support for the proposal at its meeting of 27 and 28 November <sup>(12)</sup>, and the European Council on 12 December <sup>(13)</sup> welcomed the initiative.

<sup>(1)</sup> Bull. 3-2003, point 1.4.2.

<sup>(2)</sup> COM(2003) 291; Bull. 5-2003, point 1.4.1.

<sup>(3)</sup> COM(2003) 812; Bull. 12-2003, point 1.4.2.

<sup>(4)</sup> Previous update: COM(2002) 738; 2002 General Report, point 454.

<sup>(5)</sup> Bull. 11-2003, point 1.4.1.

<sup>(6)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/freetravel/fsj\\_freetravel\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/freetravel/fsj_freetravel_intro_en.htm).

<sup>(7)</sup> Bull. 1/2-2003, point 1.4.4.

<sup>(8)</sup> COM(2002) 233; 2002 General Report, point 458.

<sup>(9)</sup> Decision 2002/463/EC (OJ L 161, 19.6.2002; 2002 General Report, point 458).

<sup>(10)</sup> Bull. 5-2003, point 1.4.2.

<sup>(11)</sup> Bull. 6-2003, point 1.4.4.

<sup>(12)</sup> Bull. 11-2003, point 1.4.4.

<sup>(13)</sup> Bull. 12-2003, point 1.8.

**502.** *Visas and residence permits.* On 24 September the Commission proposed stepping up the security standards for visas and travel documents by bringing forward the deadline for incorporating photographs in identification documents (Table II) and integrating biometric features in the uniform format for visas and residence permits for nationals of third countries (Table II). On 12 December the European Council <sup>(1)</sup> welcomed these initiatives. The Council meeting of 27 and 28 November <sup>(2)</sup> stressed the value of an obligation to record fingerprints on the memory medium used in standard-type visas. On 6 November, the Commission proposed establishing an obligation for Member States to stamp systematically the travel documents of third-country nationals when they cross the external borders of the Member States and determining the conditions in which the absence of a stamp raises a presumption of illegal entry (Table II). On the same day the Council reached political agreement on a draft directive on the short-term residence permit issued to victims of action to facilitate illegal immigration or trafficking in human beings who cooperate with the competent authorities (Table II). Several decisions <sup>(3)</sup> were taken in 2003 to amend the common manual and common consular instructions <sup>(4)</sup>.

On 22 December <sup>(5)</sup> the Council adopted a decision allowing a Member State to be represented in a third country by another Member State even if it has a diplomatic representation in that third country.

On 27 February, the Council asked the Member States to simplify the formalities for issuing visas to national representatives taking part in activities to promote Euro-Mediterranean cooperation <sup>(6)</sup>. On 6 March it decided to add Ecuador to the list of third countries whose nationals must be in possession of a visa when crossing the external borders (Table II). On 15 July it adopted Regulation (EC) No 1295/2003 laying down specific measures designed to facilitate the entry into Union territory of members of the Olympic family for the 2004 Olympic Games in Athens (Table II). On 15 December the Commission proposed signing the memorandum of understanding between the European Community and the National Tourism Administration of China on visa and related issues concerning tourist groups from China <sup>(7)</sup>.

**503.** *Transit.* Regulation (EC) No 415/2003 (Table II), adopted by the Council on 27 February following an initiative presented by Spain, makes provision for a special group transit visa for seamen in transit and for the existence of two categories of visas — an ordinary transit visa and a ‘travel visa’, to be issued once only on entry into Union territory. As a follow-up to the EU–Russia summit in 2002, the Council adopted two regula-

<sup>(1)</sup> Bull. 12-2003, point 1.9.

<sup>(2)</sup> Bull. 11-2003, point 1.4.6.

<sup>(3)</sup> Decisions 2003/454/EC (OJ L 152, 20.6.2003), 2003/586/EC and 2003/585/EC (OJ L 198, 6.8.2003); Decisions 2004/15/EC, 2004/16/EC, 2004/17/EC and 2004/17/EC (OJ L 5, 9.1.2004; Bull. 12-2003, points 1.4.5 to 1.4.7).

<sup>(4)</sup> OJ C 313, 16.12.2002.

<sup>(5)</sup> Bull. 12-2003, point 1.4.6.

<sup>(6)</sup> Bull. 1/2-2003, point 1.4.3.

<sup>(7)</sup> COM(2003) 790; Bull. 12-2003, point 1.4.4.

tions to establish a transit system between the Russian enclave of Kaliningrad and the rest of Russia: the purpose of Regulations (EC) Nos 693/2003 and 694/2003 was to create a facilitated transit document (FTD) and a facilitated rail transit document (FRTD) according to a uniform format (Table II) <sup>(1)</sup>.

504. *Repatriation and readmission.* An agreement was signed on 13 October with the Government of the Macao Special Administrative Region of China on the readmission of persons residing without authorisation (Table III). Negotiations continued for agreements to be signed with Hong Kong (Table III) and Sri Lanka (Table III).

## Asylum, immigration <sup>(2)</sup>

505. *General approach.* On 3 June <sup>(3)</sup>, in preparation for the Thessaloniki European Council, the Commission presented an evaluation of the action taken since the Seville European Council <sup>(4)</sup> to develop a common policy on immigration and asylum. The Committee of the Regions issued an opinion on this communication on 9 October <sup>(5)</sup>. On 15 January, Parliament examined progress in all of the legislative dossiers in this field <sup>(6)</sup>. The Thessaloniki European Council on 19 and 20 June <sup>(7)</sup> devoted some of its time to asylum and immigration issues and declared that immigration was one of the European Union's political priorities. It stressed the need for a more structured policy covering the whole spectrum of relations with third countries in this field. It also commented on a number of initiatives concerning visa policy, the management of external borders and plans to establish a common European asylum system.

506. *Entry and residence of third-country nationals.* To ensure fair treatment of non-Community nationals residing lawfully in the territory of the Member States, in accordance with the guidelines laid down at Tampere in 1999, the Council adopted on 25 November a directive granting the Community status of long-term resident to third-country nationals who have resided legally on the territory of a European Union Member State for five years (Table II) <sup>(8)</sup>. The new directive enshrines the right to mobility within the Union and lays down the principle of equal treatment as regards access to employment, education and social benefits. On 3 June, the Commission defined the priority measures to be taken to promote the integration and employment of all third-country nationals who are long-term residents <sup>(9)</sup>. The Council advocated an integration policy of

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<sup>(1)</sup> 2002 General Report, point 917.

<sup>(2)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/asylum/fsj\\_asylum\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/asylum/fsj_asylum_intro_en.htm); [http://europa.eu.int/comm/justice\\_home/fsj/immigration/fsj\\_immigration\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/immigration/fsj_immigration_intro_en.htm).

<sup>(3)</sup> COM(2003) 323; Bull. 6-2002, point 1.4.2.

<sup>(4)</sup> 2002 General Report, point 462.

<sup>(5)</sup> Bull. 10-2003, point 1.4.4.

<sup>(6)</sup> Bull. 1/2-2003, point 1.4.11.

<sup>(7)</sup> Bull. 6-2003, points I.4 to I.12.

<sup>(8)</sup> 1999 General Report, point 896.

<sup>(9)</sup> COM(2003) 336; Bull. 6-2003, point 1.4.11.

this kind on 16 June <sup>(1)</sup>. Other information concerning the exercise of the right of movement and residence of Union citizens and their family members is given in Section 2 ('Union citizenship') of this chapter (→ point 546).

**507. Common European asylum system.** To implement the guidelines laid down at Tampere in favour of a common European asylum system <sup>(2)</sup>, the Council adopted Directive 2003/9/EC (Table II) laying down minimum standards for the reception of asylum seekers on 27 January. The purpose of the new directive is to guarantee that, at all stages of the asylum procedure and irrespective of the type of procedure, asylum seekers are not deprived of normal living conditions in terms of information, freedom of movement, material conditions and healthcare. On 26 March, the Commission presented a second report on the implementation of measures relating to the common asylum procedure and a uniform status for persons granted asylum <sup>(3)</sup>, highlighting the mutual links with the agenda for protection of the United Nations High Commissioner for Refugees. On 3 June, in response to the European Council's invitation to examine ideas put forward by the United Kingdom and the High Commissioner for Refugees <sup>(4)</sup>, it presented guidelines for a new approach to establishing more accessible, equitable and managed asylum systems <sup>(5)</sup>. The Committee of the Regions gave its opinion on this report on 9 October <sup>(6)</sup>. In an initiative published on 14 June, Greece proposed establishing a network of immigration liaison officers (Table II). On 12 December the European Council <sup>(7)</sup> called for the first stage of establishment of a European asylum system to be fully implemented within the time-limit set at Tampere.

**508. Examination of asylum applications.** Austria put forward an initiative on 24 January with a view to the adoption of a regulation establishing the criteria for determining the States which qualify as safe third States for the purpose of taking the responsibility for examining an application for asylum lodged in a Member State by a third-country national (Table II). On 18 February, the Council adopted Regulation (EC) No 343/2003 (Table II), which incorporates into Community legislation the provisions of the Dublin Convention on determining the country responsible for examining asylum applications lodged by third-country nationals <sup>(8)</sup>. Under the new regulation, an asylum application is to be examined only once, i.e. by the Member State where it is first lodged, irrespective of the border or Member State concerned. The Eurodac system <sup>(9)</sup> for comparing the fingerprints of asylum applicants and certain other third-country nationals came into operation on 15 January.

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<sup>(1)</sup> Bull. 6-2003, point 1.4.16.

<sup>(2)</sup> 1999 General Report, point 896.

<sup>(3)</sup> COM(2003) 152; Bull. 3-2003, point 1.4.5. Previous report: COM(2001) 710; 2001 General Report, point 519.

<sup>(4)</sup> Bull. 3-2003, point 1.42.

<sup>(5)</sup> COM(2003) 315; Bull. 6-2003, point 1.4.8.

<sup>(6)</sup> Bull. 10-2003, point 1.4.4.

<sup>(7)</sup> Bull. 12-2003, point 1.9.

<sup>(8)</sup> OJ L 242, 4. 9.1997; Twenty-fourth General Report, point 896; 1997 General Report, point 1033.

<sup>(9)</sup> Regulation (EC) No 2725/2000 (OJ L 316, 15.12.2000; 2000 General Report, point 456).

509. *Right to family reunification.* In response to the wishes of the Laeken European Council in December 2001 <sup>(1)</sup>, the Council laid down on 22 September, by Directive 2003/86/EC, the conditions in which members of the family of a third-country national, who is lawfully resident on the territory of a Member State and has reasonable prospects of obtaining the right of permanent residence, may enter and reside in the territory of that Member State in order to preserve the family unit (Table II).

510. *Management of migration flows.* Pursuing the work it began in 2002 <sup>(2)</sup>, the Commission proposed on 11 June that a programme of cooperation be established with third countries in the field of migration, with a view to providing them with technical and financial assistance and supporting them in their efforts to manage migratory flows (Table I). On 19 May the Council responded <sup>(3)</sup> to the guidelines laid down by the Commission in 2002 on integrating migration issues in the European Union's relations with third countries <sup>(4)</sup>. On 19 June Parliament <sup>(5)</sup> welcomed the Commission's initiatives in this field and its initiatives on an open method of coordination for immigration policy <sup>(6)</sup>. On 25 November the Commission proposed establishing a secure web-based information and coordination network for Member States' migration management services (Table II). On 27 November the Council adopted a programme of measures to combat illegal immigration by sea in the Member States of the European Union. On 12 December the European Council <sup>(7)</sup> welcomed the adoption of this programme. It reaffirmed the importance of dialogue with third countries of origin and transit of migratory flows and declared that these countries must continue to enjoy support in their efforts to stem these flows. On 8 December <sup>(8)</sup> the Council adopted conclusions supporting the establishment of a mechanism to evaluate cooperation between Member States in combating illegal immigration.

511. *Visa information system (VIS) and Schengen information system (SIS II).* At its meeting on 5 and 6 June <sup>(9)</sup>, the Council commented on the functions of the Schengen information system (SIS) and the architecture of SIS II <sup>(10)</sup>. It called on the Commission to continue its development work on the basis of a centralised architecture, bearing in mind the possibility of planning a common technical platform with the Schengen information system (SIS II). This approach was endorsed by the Thessaloniki European Council on 19 and 20 June <sup>(11)</sup>. On 20 November <sup>(12)</sup> the European Parliament recommended that a public hearing be held on the future of the system. On

<sup>(1)</sup> Bull. 12-2001, point I.16.

<sup>(2)</sup> 2002 General Report, point 462.

<sup>(3)</sup> Bull. 5-2003, point 1.4.6.

<sup>(4)</sup> COM(2002) 703; 2002 General Report, point 462.

<sup>(5)</sup> Bull. 6-2003, point 1.4.17.

<sup>(6)</sup> COM(2001) 387; 2001 General Report, point 513.

<sup>(7)</sup> Bull. 12-2003, point 1.9.

<sup>(8)</sup> Bull. 12-2003, point 1.4.13.

<sup>(9)</sup> Bull. 6-2003, points 1.4.14 and 1.4.23.

<sup>(10)</sup> Regulation (EC) No 2424/2001; Decision 2001/886/JHA (OJ L 328, 13.12.2001; 2001 General Report, point 537).

<sup>(11)</sup> Bull. 6-2003, point I.6.

<sup>(12)</sup> Bull. 11-2003, point 1.4.20.

11 December <sup>(1)</sup> the Commission presented a report on progress in the development of SIS II and possible synergies with the future visa information system (VIS). The European Council on 12 December <sup>(2)</sup> called for the requisite measures to be taken for the development of the VIS.

512. *Return of illegal residents.* To compensate for the financial imbalances resulting from the mutual recognition by Member States of decisions to expel third-country nationals <sup>(3)</sup>, the Commission proposed on 3 February that the costs incurred in implementing an expulsion decision be reimbursed to the Member State which adopted the decision (Table II). Italy presented an initiative, published on 19 September, for a Council directive on assistance in cases of transit through the territory of one or more Member States in the context of removal orders taken by Member States against third-country nationals. On 25 November the Council also adopted, following an initiative presented by Germany, Directive 2003/110/EC, which defines assistance measures in cases of transit for the purposes of removal by air (Table II). On 22 December <sup>(4)</sup>, it adopted conclusions on assistance in short-term transit by land or sea through the territory of a Member State implementing a removal order made in another Member State.

513. *International repatriation of mortal remains.* In a resolution adopted on 4 December <sup>(5)</sup> the European Parliament calls on the Commission to ascertain whether the Strasbourg agreement of 1973 on the cross-border transfer of mortal remains is compatible with Community law, given that the repatriation of mortal remains without excessive cost or bureaucracy may be regarded as a right of each EU citizen.

## Judicial cooperation in civil and commercial matters <sup>(6)</sup>

514. *Litigation and alternative methods of dispute resolution.* In response to the conclusions of the Tampere European Council <sup>(7)</sup>, the Commission adopted a Green Paper on 14 January <sup>(8)</sup> on converting into a Community instrument the 1980 Rome Convention on the law applicable to contractual obligations <sup>(9)</sup>. On 12 March Parliament <sup>(10)</sup> endorsed the guidelines laid down in the Commission's Green Paper on an alternative dispute resolution <sup>(11)</sup>. On 18 June the European Economic and Social Committee <sup>(12)</sup> welcomed

<sup>(1)</sup> COM(2003) 771; Bull. 12-2003, point 1.4.3.

<sup>(2)</sup> Bull. 12-2003, point 1.9.

<sup>(3)</sup> Directive 2001/40/EC (OJ L 149, 2.6.2001; 2001 General Report, point 515).

<sup>(4)</sup> Bull. 12-2003, point 1.4.15.

<sup>(5)</sup> Bull. 12-2003, point 1.4.8.

<sup>(6)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/civil/fsj\\_civil\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/civil/fsj_civil_intro_en.htm).

<sup>(7)</sup> 1999 General Report, point 903.

<sup>(8)</sup> COM(2002) 654; Bull. 1/2-2003, point 1.4.17.

<sup>(9)</sup> OJ L 266, 9.10.1980; [http://www.rome-convention.org/instruments/i\\_conv\\_orig\\_en.htm](http://www.rome-convention.org/instruments/i_conv_orig_en.htm).

<sup>(10)</sup> Bull. 3-2003, point 1.4.8.

<sup>(11)</sup> COM(2002) 196; 2002 General Report, point 470.

<sup>(12)</sup> OJ C 220, 16.9.2003; Bull. 6-2003, point 1.4.22.

the Green Paper on initiating a European order for payment procedure and simplifying and speeding up small claims litigation <sup>(1)</sup>. On 22 July the Commission proposed standardising the Member States' conflict-of-laws rules applicable to non-contractual obligations (Table I).

515. *Access to justice in cross-border disputes.* On 27 January the Council adopted Directive 2003/8/EC to improve access to justice in cross-border disputes by establishing minimum common rules relating to legal aid in civil and commercial disputes (Table II).

516. *Jurisdiction, recognition and enforcement of judgments.* On 8 May the Council adopted negotiating directives for the conclusion of agreements with Denmark on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and on the service in the Member States of judicial and extra-judicial documents in civil or commercial matters (Table III). On 27 November the Council adopted a regulation establishing a full system of rules on jurisdiction and the recognition and enforcement of judgments in matrimonial matters and in matters of parental responsibility (Table II). On 17 June the Commission proposed that Member States be authorised to ratify or accede to the 1996 Hague Convention <sup>(2)</sup> on jurisdiction, applicable law, recognition, enforcement and cooperation in respect of parental responsibility and measures for the protection of children (Table II).

517. *Transboundary damage.* On 24 February the Council adopted negotiating directives for an agreement on civil liability for transboundary damage caused by hazardous activities within the scope of the Convention on the Protection and Use of Transboundary Watercourses and International Lakes <sup>(3)</sup> and the Convention on the Transboundary Effects of Industrial Accidents (Table III) <sup>(4)</sup>.

## **Judicial cooperation in criminal matters <sup>(5)</sup>**

518. *Judicial training.* At its meeting on 5 and 6 June <sup>(6)</sup> the Council, acting on an initiative from France <sup>(7)</sup>, called on the Member States to boost the European judicial training network.

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<sup>(1)</sup> COM(2002) 746; 2002 General Report, point 470.

<sup>(2)</sup> <http://www.hcch.net/e/conventions/menu34e.html>.

<sup>(3)</sup> OJ L 186, 5.8.1995.

<sup>(4)</sup> OJ L 326, 3.12.1998.

<sup>(5)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/criminal/fsj\\_criminal\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/criminal/fsj_criminal_intro_en.htm).

<sup>(6)</sup> Bull. 6-2003, point 1.4.18.

<sup>(7)</sup> Initiative of the French Republic: OJ C 18, 19.1.2001; 2001 General Report, point 526.

519. *Eurojust* <sup>(1)</sup>. At its meeting on 5 and 6 June the Council welcomed the first annual report of Eurojust, for 2002 <sup>(2)</sup>. The report covers the setting-up of Eurojust and the work it carried out.

520. *Criminal proceedings*. On 19 February the Commission adopted a Green Paper on procedural safeguards for persons who are suspected or accused of criminal offences and are prosecuted or sentenced accordingly <sup>(3)</sup>. On 6 November <sup>(4)</sup> the European Parliament endorsed its approach. Greece presented an initiative, published on 26 April, for a framework decision with the aim of providing the Member States with common legal rules relating to the *ne bis in idem* principle in order to ensure uniformity in the interpretation and implementation of that principle in the Member States (Table II).

521. *Extradition*. On 27 February, following an initiative presented by Sweden, the Council extended to Iceland and Norway the scope of the 1995 Convention on a simplified extradition procedure between the Member States of the European Union <sup>(5)</sup> and the 1996 Convention on extradition between the Member States (Table II) <sup>(6)</sup>.

522. *European arrest warrant*. On 2 October the Council <sup>(7)</sup>, in response to the Commission proposal of 6 May <sup>(8)</sup> that the Council of Europe be notified that from 2004 onwards the Member States would settle their relations between them in matters of extradition exclusively on the basis of the framework decision on the European arrest warrant and the surrender procedures provided for in it <sup>(9)</sup>, adopted conclusions on the implementation of the European arrest warrant and its relations with the legal instruments of the Council of Europe.

523. *European evidence warrant*. On 14 November the Commission proposed a decision on the European evidence warrant for obtaining objects, documents and data for use in proceedings in criminal matters (Table II).

524. *Freezing property and evidence*. On 22 July, following initiatives presented by Belgium, France and Sweden, it laid down rules for the execution and recognition of orders freezing property or evidence in the European Union (Table II).

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<sup>(1)</sup> [http://europa.eu.int/comm/justice\\_home/news/laecken\\_council/en/eurojust\\_en.htm](http://europa.eu.int/comm/justice_home/news/laecken_council/en/eurojust_en.htm).

<sup>(2)</sup> Bull. 6-2003, point 1.4.30.

<sup>(3)</sup> COM(2003) 75; Bull. 1/2-2003, point 1.4.21.

<sup>(4)</sup> Bull. 11-2003, point 1.4.25.

<sup>(5)</sup> OJ C 375, 12.12.1996; 1995 General Report, point 968.

<sup>(6)</sup> OJ C 313, 23.10.1996; 1996 General Report, point 955.

<sup>(7)</sup> Bull. 10-2003, point 1.4.17.

<sup>(8)</sup> COM(2003) 253; Bull. 5-2003, point 1.4.13.

<sup>(9)</sup> [http://europa.eu.int/comm/justice\\_home/news/laecken\\_council/en/mandat\\_en.htm](http://europa.eu.int/comm/justice_home/news/laecken_council/en/mandat_en.htm).

525. *Joint investigation teams.* To facilitate the creation and operation of joint investigation teams <sup>(1)</sup>, the Council recommended on 8 May that Member States use a standard model agreement <sup>(2)</sup>.

526. *Combating corruption and counterfeiting.* On 28 May, with a view to implementing a comprehensive, multidisciplinary anti-corruption strategy, the Commission identified new initiatives on this front, such as strengthening political commitment, improving investigative tools and developing common standards of integrity <sup>(3)</sup>. On 4 December <sup>(4)</sup> the European Parliament issued its opinion. On 22 July the Council adopted, on an initiative presented by Denmark, Framework Decision 2003/568/JHA aimed at ensuring that all Member States recognise corruption as a criminal offence punishable by proportionate penalties (Table II). On the same date it decided <sup>(5)</sup> to apply to Gibraltar the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union <sup>(6)</sup>. On 3 September the Commission adopted its second report on the implementation of measures aimed at increasing protection against counterfeiting in connection with the introduction of the euro (→ point 1062). On 4 December the Commission proposed signing, on behalf of the European Community, the United Nations Convention against Corruption, which contains provisions to establish bodies to act against corruption (Table III).

527. *Football matches.* On 17 November <sup>(7)</sup> the Council called on the Member States to consider banning access to football matches to individuals known to have committed acts of violence at earlier matches.

528. The activities of the European Monitoring Centre on Racism and Xenophobia are dealt with in Section 3 ('Employment and social policy') of Chapter IV (→ point 174). Further information concerning judicial cooperation in criminal matters is given under 'Combating crime' and 'Combating terrorism' in this section (→ points 534 et seq.).

## Police and customs cooperation <sup>(8)</sup>

529. *Europol* <sup>(9)</sup>. On 18 February Mr Vitorino, Member of the Commission, and Mr Storbeck, Director of Europol, signed an agreement providing for closer cooperation between Europol and the Commission to curb organised international crime <sup>(10)</sup>. Follow-

<sup>(1)</sup> 2002 General Report, point 479.

<sup>(2)</sup> OJ C 121, 23. 5.2003; Bull. 5-2003, 1.4.12.

<sup>(3)</sup> COM(2003) 317; Bull. 5-2003, point 1.4.8.

<sup>(4)</sup> Bull. 12-2003, point 1.4.76.

<sup>(5)</sup> OJ L 226, 10.9.2003; Bull. 7/8-2003, point 1.4.9.

<sup>(6)</sup> OJ C 195, 25.6.1997; 1997 General Report, point 1038.

<sup>(7)</sup> Bull. 11-2003, point 1.4.19.

<sup>(8)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/police/fsj\\_police\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/police/fsj_police_intro_en.htm).

<sup>(9)</sup> <http://www.europol.eu.int/index.asp>.

<sup>(10)</sup> Bull. 1/2-2003, point 1.4.22.

ing the changes to legislation concerning Europol in 2002 <sup>(1)</sup> and on the basis of an initiative presented by Greece, the Council amended on 5 June the rules on the basic salaries and allowances payable to Europol staff (Table II). On the same date, acting on two initiatives presented by Denmark, it amended the rules on the confidentiality of Europol information (Table II) and the Europol staff regulations (Table II). On 10 April Parliament issued recommendations concerning Europol's legal basis and budget, control over Europol and data protection <sup>(2)</sup>. On 27 November, on an initiative by Denmark, a protocol amending the Convention establishing Europol as regards its powers and internal operation was signed (Table II). On 12 December the European Council welcomed this new progress in police cooperation <sup>(3)</sup>.

**530.** *CEPOL (European Police College)* <sup>(4)</sup>. At its meeting on 2 and 3 October the Council adopted the CEPOL annual report for 2002 and the work programme for 2004. On 6 November, it also adopted its annual budget for 2004.

**531.** *Specific forms of cooperation between Member States*. In response to an initiative presented by Denmark, and with a view to combating serious cross-border crime, the Council decided on 27 February to strengthen cooperation between liaison officers posted abroad by the law enforcement agencies of the Member States (Table II). Following initiatives presented by Belgium, Germany and France, the Council adopted on 8 May an act drawing up a protocol amending the Customs Information System Convention as regards the creation of a customs files identification database (FIDE) (Table II). On 5 June Parliament called for cross-border cooperation against piracy and counterfeiting in the enlarged Union <sup>(5)</sup>. At its meeting on 5 and 6 June <sup>(6)</sup>, the Council asked the Member States to define special security characteristics of uniform entry and exit stamps in order to combat the counterfeiting and forgery of documents at external borders. By a resolution passed on 2 October <sup>(7)</sup> it decided to adopt a strategy for customs cooperation under the third pillar, envisaging a uniform approach to customs matters by means of new forms of cooperation. On 4 November it expressed its view on customs in the integrated management of external borders <sup>(8)</sup>.

**532.** *Implementation of the Schengen Agreement*. On 15 July the Council adopted a new volume of the catalogue of recommendations for the correct application of the Schengen *acquis* and best practices in the field of police cooperation <sup>(9)</sup>. On 21 August the Commission proposed amending the Convention implementing the Schengen Agreement so that

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<sup>(1)</sup> 2002 General Report, point 483.

<sup>(2)</sup> Bull. 4-2003, point 1.4.13.

<sup>(3)</sup> Bull. 12-2003, point 1.10.

<sup>(4)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/police/college/fsj\\_police\\_college\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/police/college/fsj_police_college_en.htm).

<sup>(5)</sup> Bull. 6-2003, point 1.4.29.

<sup>(6)</sup> Bull. 6-2003, point 1.4.25.

<sup>(7)</sup> OJ C 247, 15.10.2003; Bull. 10-2003, point 1.6.22.

<sup>(8)</sup> Bull. 11-2003, point 1.6.23.

<sup>(9)</sup> Bull. 7/8-2003, point 1.4.5.

the services responsible for issuing vehicle registration certificates in the Member States be given the right to consult certain categories of data in the SIS (Table I). On 5 April Greece presented two initiatives concerning the procedures for amending the Sirene manual <sup>(1)</sup>, which contains all the instructions intended for operators of the Sirene bureaux in each Member State and describes the rules and procedures governing the bilateral or multilateral exchange of information (Table II). On 2 October, acting on an initiative from Belgium, Spain and France, the Council decided to amend the Schengen Agreement in order to give police officers of a Member State the right to pursue in another Member State the surveillance of a person that began in the first State's territory, so as to ensure continuity in judicial investigations (Table II).

533. *International cooperation.* Following a recommendation adopted by Parliament on 3 June <sup>(2)</sup>, the agreements with the United States on extradition and on judicial cooperation in criminal matters were signed on 25 June (Table III). On 17 December the Council <sup>(3)</sup> authorised the signing of a draft agreement with Iceland and Norway on the application of certain provisions of the Convention on Mutual Assistance in Criminal Matters <sup>(4)</sup>. To enhance cooperation in the fight against serious forms of transnational crime, an agreement was signed between Russia and Europol on 6 November (Table III). Negotiations were held for similar agreements with Colombia (Table III) and Romania (Table III). On 12 December the European Council welcomed the progress made towards intensifying police cooperation with a series of third countries <sup>(5)</sup>.

## Combating crime <sup>(6)</sup>

534. *European crime prevention network (EUCPN)* <sup>(7)</sup>. At its meeting on 5 and 6 June <sup>(8)</sup>, the Council welcomed the 2002 annual report of the European crime prevention network, covering institutional and organisational questions and the network's activities, and the second work programme — 2003–04. The network national representatives met in Athens on 24 and 25 February and in Crete on 5 June, with Greece in the chair, and in Venice on 29 September, with Italy in the chair. A plenary conference to exchange good practices regarding crime prevention was held in Rome on 11 and 12 November. At a ceremony in Copenhagen on 9 December, the European crime prevention prize was awarded to Portugal, for its 'Quinta da Princesa's Neighbourhood Tutors' project.

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<sup>(1)</sup> OJ C 38, 17.2.2003.

<sup>(2)</sup> Bull. 6-2003, point 1.4.27.

<sup>(3)</sup> Bull. 12-2003, point 1.4.20.

<sup>(4)</sup> 2000 General Report, point 464.

<sup>(5)</sup> Bull. 12-2003, point 1.10.

<sup>(6)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/crime/fsj\\_crime\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/crime/fsj_crime_intro_en.htm).

<sup>(7)</sup> [http://europa.eu.int/comm/justice\\_home/eucpn/home.html](http://europa.eu.int/comm/justice_home/eucpn/home.html).

<sup>(8)</sup> Bull. 6-2003, point 1.4.26.

**535.** *European Forum for the Prevention of Organised Crime.* The 2002 annual report of the forum and its work programme for 2003 were presented to the Council's multidisciplinary working party in February. The activities undertaken by the forum in 2003 highlighted the need to develop cooperation between the public and private sectors in order to step up measures to prevent and combat organised crime. The forum organised round tables on counterfeiting, financial information units and crime statistics and meetings on trafficking in human beings and rules applied in the public administration to combat corruption.

**536.** *Environmental crime.* On 27 January the Council adopted a framework decision on the protection of the environment through criminal law (Table II). The Commission supported the objective of this decision but challenged the legal basis used and brought an action before the Court of Justice to have the decision annulled <sup>(1)</sup>. On 2 May the Commission presented a proposal (Table II) for a framework decision to strengthen the criminal law framework for the enforcement of the law against ship-source pollution designed to back up the proposal for a directive on ship-source pollution and on the introduction of sanctions, including criminal sanctions, for pollution offences (→ point 687).

**537.** *Transnational crime.* On 13 February Greece presented an initiative for a framework decision concerning the prevention and control of trafficking in human organs and tissues (Table II). On 8 May the Council adopted, on an initiative presented by Denmark, Decision 2003/335/JHA aimed at increasing cooperation between the law-enforcement authorities of the Member States in the investigation and prosecution of genocide, crimes against humanity and war crimes (Table II). On 22 August the Commission proposed concluding, on behalf of the European Community, the United Nations Convention against Transnational Organised Crime <sup>(2)</sup>, the protocol against the smuggling of migrants by land, air and sea and the protocol to prevent, suppress and punish trafficking in persons, especially women and children (Table II). On 20 October <sup>(3)</sup> the Council adopted a resolution on initiatives to combat trafficking in human beings, in particular women, in which it calls for intensification of cross-border and international cooperation on measures to prevent trafficking and protect victims. At its meeting on 27 and 28 November <sup>(4)</sup> the Council recommended the Member States and relevant departments to improve prevention and operational investigation methods in combating organised crime linked to trafficking in human beings. On 22 December it adopted a framework decision on combating sexual exploitation of children and child pornography <sup>(5)</sup>.

**538.** *AGIS framework programme.* The Commission began the implementation of the AGIS framework programme <sup>(6)</sup> concerning police and judicial cooperation in criminal

<sup>(1)</sup> Case C-176/03 (OJ C 135, 7.6.2003).

<sup>(2)</sup> OJ L 30, 1.2.2001; 2000 General Report, point 472.

<sup>(3)</sup> OJ C 260, 29.10.2003; Bull. 10-2003, point 1.4.14.

<sup>(4)</sup> Bull. 11-2003, point 1.4.23.

<sup>(5)</sup> OJ L 13, 20.1.2004; Bull. 12-2003, point 1.4.17.

<sup>(6)</sup> Decision 2002/630/EC (OJ L 203, 1.8.2002; 2002 General Report, point 457).

matters with an appropriation of EUR 65 million for 2003–07. More than 100 cooperation projects received financial support under the programme in 2003 <sup>(1)</sup>.

539. *Information society*. On 8 May the Council called on the Member States to study ways of tracing the unlawful use of prepaid mobile telephone cards <sup>(2)</sup>.

### Combating terrorism <sup>(3)</sup>

540. *General aspects*. On 25 November <sup>(4)</sup> the Council took note of the results of the workshop held in Brussels on 7 November on the financing of terrorism. On 8 December <sup>(5)</sup> it adopted conclusions on the protection of civilians against the effects of terrorist attacks. On 22 December <sup>(6)</sup> it approved the report on terrorist activities in the European Union from October 2002 to October 2003. Other questions concerning the fight against terrorism are addressed in Section 1 ('Common foreign and security policy') of Chapter VI (→ point 753).

### Combating drug use and trafficking <sup>(7)</sup>

541. *Cooperation between Member States*. Under its action plan to combat drugs (2002–04) <sup>(8)</sup>, the Council meeting on 5 and 6 June adopted an action plan aimed at establishing a framework for cooperation with the countries of the western Balkans and with candidate countries <sup>(9)</sup>. At its meeting on 25 and 26 June it stressed the responsibility of the international community and local communities in preventing drug dependence and the harm it causes <sup>(10)</sup>. In a communication of 12 November <sup>(11)</sup> the Commission sets out the challenges and questions at stake in stronger coordination on drugs in the European Union and accordingly recommends that a comprehensive approach be taken, combining all aspects of policy in this area. At its meeting on 27 and 28 November <sup>(12)</sup> the Council called on the Member States to second drugs experts as liaison officers to Albania and other Balkan countries. On 27 November the Council gave its agreement to a framework decision laying down minimum provisions applicable to conduct constituting criminal offences and the penalties applicable as regards drugs trafficking (Table II). The Council meeting from

<sup>(1)</sup> [http://europa.eu.int/comm/justice\\_home/funding/agis/funding\\_agis\\_en.htm](http://europa.eu.int/comm/justice_home/funding/agis/funding_agis_en.htm).

<sup>(2)</sup> Bull. 5-2003, point 1.4.10.

<sup>(3)</sup> [http://europa.eu.int/comm/justice\\_home/news/laecken\\_council/en/terrorism\\_en.htm](http://europa.eu.int/comm/justice_home/news/laecken_council/en/terrorism_en.htm).

<sup>(4)</sup> Bull. 11-2003, point 1.6.9.

<sup>(5)</sup> Bull. 12-2003, point 1.6.16.

<sup>(6)</sup> Bull. 12-2003, point 1.4.21.

<sup>(7)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/drugs/fsj\\_drugs\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/drugs/fsj_drugs_intro_en.htm).

<sup>(8)</sup> 2000 General Report, point 479.

<sup>(9)</sup> Bull. 6-2003, point 1.4.34.

<sup>(10)</sup> Bull. 6-2003, point 1.4.35.

<sup>(11)</sup> COM(2003) 681; Bull. 11-2003, point 1.4.28.

<sup>(12)</sup> Bull. 11-2003, point 1.4.32.

17 to 19 December <sup>(1)</sup> adopted a resolution on the training of personnel of enforcement agencies in the fight against drug trafficking.

**542.** *Control and prevention measures and treatment.* On 27 February the Council adopted a resolution <sup>(2)</sup> calling on the Member States to improve the health and treatment of drug abusers in prison <sup>(3)</sup>. In a report dated 13 May <sup>(4)</sup> the Commission proposed an evaluation of the risks and control of new narcotics and new synthetic drugs on the basis of the latest scientific progress. In the light of these conclusions, on 3 October it proposed amending the 1997 joint action <sup>(5)</sup>, in particular to increase the number of notifiable substances (Table II). Acting on an initiative from Italy, the Council meeting of 27 and 28 November decided to bring a series of new synthetic drugs under national control and enforcement systems (Table II). The same meeting passed two resolutions <sup>(6)</sup> on the importance of the role of the family in preventing drug abuse by adolescents and the fight against psychoactive substances associated with traffic accidents. Work continued on legislation applicable to drug precursors (→ point 311).

**543.** *European Monitoring Centre for Drugs and Drug Addiction.* On 19 December the Commission presented a proposal for recasting the regulation establishing the Centre so as to enhance its role in an enlarged Europe, particularly to take account of new drug-use patterns and to consolidate the three sets of amendments into the regulation (Table II). On 22 December the Council approved the Monitoring Centre's work programme for 2004–06 <sup>(7)</sup>.

## External relations <sup>(8)</sup>

**544.** *Group of Eight.* On 5 May the Justice and Internal Affairs Ministers of the G8 and Mr Vitorino, Member of the Commission, met in Paris to discuss judicial cooperation and the fight against terrorism <sup>(9)</sup>. At the end of the meeting a statement on biometric applications in international travel, principles for the protection of vital information and communication infrastructures, guidelines and good practices regarding traceability, the freezing and confiscation of assets and principles governing the use and sharing of DNA data were adopted.

**545.** *Western Balkans.* Within the European Union–Western Balkans Forum (→ point 863), the Justice and Home Affairs Ministers held their first meeting in Brussels on 28 November. The agenda focused on the fight against organised crime in the western

<sup>(1)</sup> Bull. 12-2003, point 1.4.26.

<sup>(2)</sup> Bull. 1/2-2003, point 1.4.27.

<sup>(3)</sup> 2001 General Report, point 550; 2002 General Report, point 496.

<sup>(4)</sup> COM(2003) 258; Bull. 5-2003, point 1.4.17.

<sup>(5)</sup> Joint Action 97/396/JHA (OJ L 167, 25.6.1997; 1997 General Report, point 1045).

<sup>(6)</sup> Bull. 11-2003, points 1.4.31 and 1.4.33.

<sup>(7)</sup> Bull. 12-2003, point 1.4.27.

<sup>(8)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/external/fsj\\_external\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/external/fsj_external_intro_en.htm).

<sup>(9)</sup> Bull. 5-2003, point 1.6.90.

Balkans, judicial cooperation and the management of borders. The Justice and Home Affairs Ministers of the Member States, the acceding States, the candidate countries and the western Balkans adopted joint conclusions <sup>(1)</sup>.

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<sup>(1)</sup> Bull. 11-2003, point 1.4.24.

*Section 2***Union citizenship****Freedom of movement and right of residence <sup>(1)</sup>**

546. *General aspects.* The legislative process for the adoption of a directive on the right of Union citizens and members of their family to move and reside freely in the territory of the Member States continued throughout 2003 (Table I). In a report dated 5 March <sup>(2)</sup> covering the period 1999–02 the Commission took stock of the implementation of Community legislation in force <sup>(3)</sup> on the right of residence of Union citizens and their family members, of whatever nationality, who are not economically active in the host Member State.

**Right to vote and to stand as a candidate in elections <sup>(4)</sup>**

547. *European political parties.* Acting on the basis of Article 191 of the EC Treaty, as amended by the Treaty of Nice <sup>(5)</sup>, the European Parliament and the Council established, on 4 November, a long-term and transparent framework for financing European political parties out of the Community budget and for laying down minimum standards of democratic conduct (Table I).

548. *Elections to the European Parliament.* In a report dated 27 January <sup>(6)</sup>, the Commission reaffirmed the need to maintain the derogation granted to Luxembourg in 1993 <sup>(7)</sup>, relating to its refusal to extend the right to vote and stand as a candidate in elections to the European Parliament to non-nationals resident there. In a communication issued on 8 April <sup>(8)</sup> in order to ensure the participation of all EU citizens in the elections to the European Parliament in 2004, the Commission urged future Member States to implement the *acquis* on the right to vote and ensure that all citizens are registered on the electoral rolls. The European Economic and Social Committee issued an opinion on that communication on 20 November <sup>(9)</sup>. The European Parliament adopted a decision and a resolution on 3 and 4 June on the statute for MEPs and drew up a new resolution on 17 December (→ point 1083).

<sup>(1)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/freetravel/fsj\\_freetravel\\_intro\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/freetravel/fsj_freetravel_intro_en.htm).

<sup>(2)</sup> COM(2003) 101; Bull. 3-2003, point 1.4.4. Preceding report: COM(1999) 127; 1999 General Report, point 8.

<sup>(3)</sup> Directives 90/364/EEC and 90/365/EEC (OJ L 180, 13.7.1990; Twenty-fourth General Report, point 168); Directive 93/96/EC (OJ L 317, 18.12.1993; Twenty-seventh General Report, point 102).

<sup>(4)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/citizenship/political/fsj\\_citizenship\\_vote\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/citizenship/political/fsj_citizenship_vote_en.htm).

<sup>(5)</sup> 2000 General Report, point 1148.

<sup>(6)</sup> COM(2003) 31; Bull. 1/2-2003, point 1.4.9.

<sup>(7)</sup> Directive 93/109/EC (OJ L 329, 30.12.1993; Twenty-seventh General Report, point 590).

<sup>(8)</sup> COM(2003) 174; Bull. 4-2003, point 1.4.5.

<sup>(9)</sup> Bull. 11-2003, point 1.4.8.

549. *Promoting active citizenship.* On 27 May the Commission proposed the creation of a Community action programme to support organisations working in the field of active citizenship, to promote activities in this area and to define a framework for awarding grants in the period 2004–08 (Table II).

550. *Political rights of third-country nationals.* The European Economic and Social Committee issued an opinion on 15 May <sup>(1)</sup> advocating a pluralist, inclusive and participatory European citizenship and calling for the inclusion in the draft Constitutional Treaty (→ points 4 and 5) of political rights for third-country nationals, including the right to vote in local and European elections.

### **Right of petition and right of access to the Ombudsman <sup>(2)</sup>**

551. *Appointment of the Ombudsman.* By Decision 2003/158/EC, Euratom of 15 January <sup>(3)</sup>, the European Parliament appointed Mr Diamandouros the new European Ombudsman to succeed Mr Söderman. Mr Diamandouros took up his position on 1 April.

552. *Right of petition.* On 25 September <sup>(4)</sup>, the European Parliament called for changes to the right of petition in the future Constitution (→ points 4 and 5), for example to allow significant groups of citizens to promote reforms of Community legislation during consideration of their petitions by the Committee on Petitions. On the same day <sup>(5)</sup> it passed a resolution on the petition concerning the regulation and supervision of the Lloyd's insurance market by the UK authorities.

553. *Activities of the Ombudsman.* The 2002 annual report of the European Ombudsman was presented by Mr Söderman to the European Parliament's Committee on Petitions in March and subsequently published on the Internet site <sup>(6)</sup>. On 25 September <sup>(7)</sup> Parliament passed a resolution on the report. It welcomed the Commission communication on relations with the complainant in respect of infringements of Community law <sup>(8)</sup> and requested the Commission, in accordance with the recommendations of the European Ombudsman, to propose rules on the establishment of an administrative procedure binding on all institutions and agencies.

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<sup>(1)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.4.4.

<sup>(2)</sup> <http://www.euro-ombudsman.eu.int/home/en/default.htm>.

<sup>(3)</sup> OJ L 65, 8.3.2002; Bull. 1/2-2002, point 1.4.10.

<sup>(4)</sup> Bull. 9-2003, point 1.4.4.

<sup>(5)</sup> Bull. 9-2003, point 1.4.5.

<sup>(6)</sup> <http://www.euro-ombudsman.eu.int/report/en/default.htm>.

<sup>(7)</sup> Bull. 9-2003, point 1.4.3.

<sup>(8)</sup> COM(2002) 141 (OJ C 244, 10.10.2002; 2002 General Report, point 1064).

## **Right to diplomatic and consular protection <sup>(1)</sup>**

554. *Consular cooperation.* On 16 June <sup>(2)</sup> the Council called for intensified consular cooperation between Member States and third countries and for improved efficiency in such cooperation. On 8 December <sup>(3)</sup> it welcomed the drafting of recommendations for diplomatic missions and consular posts in the case of a crisis in a third country.

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<sup>(1)</sup> [http://europa.eu.int/comm/justice\\_home/fsj/citizenship/diplomatic/fsj\\_citizenship\\_diplomatic\\_en.htm](http://europa.eu.int/comm/justice_home/fsj/citizenship/diplomatic/fsj_citizenship_diplomatic_en.htm).

<sup>(2)</sup> Bull. 6-2003, point 1.4.36.

<sup>(3)</sup> Bull. 12-2003, point 1.4.28.

### Section 3

## Education and culture <sup>(1)</sup>

### Overview

555. *In 2003, the European Union pressed on with the work it started in 2002, aimed at implementing the key objective identified in Lisbon, that of a knowledge-based economy. In addition to the adoption of the 'Erasmus Mundus' programme, which provides the bases for enhanced cooperation and greater mobility for students and teachers vis-à-vis third countries, the launch of the 'eLearning' programme will boost the integration of information and communication technologies within education and training systems. As requested by the Barcelona European Council, the drive to implement the detailed work programme on the specific future objectives of education and training systems went on throughout 2003, resulting mainly in the adoption by the Commission of a communication setting the objectives for 2010. Moreover, the Commission formulated a specific framework for supporting bodies active in the fields of education, training, youth, culture and active citizenship. With enlargement just round the corner, the need to promote cultural and linguistic diversity was stressed, with a view to the integration of the new Member States. The Union also committed itself to the quality of interactive media content, to the liberalisation of the audiovisual sector, and to disseminating the educational values of sport. In addition, the Commission continued its efforts to promote the development of the audiovisual sector. Lastly, to mark the European Year of People with Disabilities, emphasis was placed on equality of opportunity for pupils and students with disabilities, in the fields of education and training, and as regards access to infrastructure and cultural activities.*

## Education and training <sup>(2)</sup>

### Priority objectives

556. *Objectives of education and training systems.* Having regard to the spring European Council, the Council made statements, on 6 February <sup>(3)</sup> and 18 March <sup>(4)</sup>, on moving towards the Lisbon objectives <sup>(5)</sup>, and reiterated the need to implement the detailed work programme following up the objectives of education and training systems in Europe <sup>(6)</sup>. To this end, it introduced, on 5 May <sup>(7)</sup>, a series of benchmarks for European average

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/education\\_culture/index\\_en.htm](http://europa.eu.int/comm/dgs/education_culture/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/education/index\\_en.html](http://europa.eu.int/comm/education/index_en.html).

<sup>(3)</sup> OJ C 77, 29.3.2003; Bull. 1/2-2003, point 1.1.4.

<sup>(4)</sup> Bull. 3-2003, point 1.4.12.

<sup>(5)</sup> 2000 General Report, point 1145.

<sup>(6)</sup> 2002 General Report, point 515.

<sup>(7)</sup> OJ C 134, 7.6.2003; Bull. 5-2003, point 1.4.19.

performance, to be achieved by 2010. The European Economic and Social Committee and the Committee of the Regions endorsed, on 26 March <sup>(1)</sup> and 10 April <sup>(2)</sup> respectively, the Commission's initiative seeking to establish European benchmarks for education and training systems <sup>(3)</sup>. On 11 November <sup>(4)</sup>, the Commission adopted a communication taking stock of the situation in the education and training fields from the point of view of the Lisbon objectives and the five benchmarks set by the Council, and identifying the measures needed to attain these goals by 2010. As part of the implementation of the Lisbon strategy <sup>(5)</sup> and pursuit of the strategic objective of a knowledge-based society and economy, the Commission also called, on 10 January <sup>(6)</sup>, for substantially increased investment in education and training, in the current and enlarged Union. This initiative was welcomed by the Committee of the Regions on 19 November <sup>(7)</sup>.

On 5 February <sup>(8)</sup>, the Commission launched a debate on the role of universities, urging interested parties to endeavour jointly to devise appropriate initiatives. On 19 November <sup>(9)</sup>, the Committee of the Regions stressed the importance of developing centres of expertise at regional and local levels. With a view to preventing and combating early school leaving and disaffection among young people, and to encourage their social inclusion, the Council invited the Member States, on 25 November <sup>(10)</sup>, to promote measures designed to make school an open place of learning.

**557. *Human capital.*** On 5 May, the Council made the case for equal opportunities for pupils and students with disabilities (→ point 162) and, on 15 July, delivered its opinion on building social and human capital in the knowledge-based society, with special reference to education and training (→ point 149). On 12 February <sup>(11)</sup>, the European Parliament urged the Member States to promote lifelong learning, investment in human capital and cooperation in all areas of mobility. The Council pointed, on 25 November <sup>(12)</sup>, to the need for development of human capital to promote social cohesion and competitiveness in the knowledge society. The representatives of the governments of the Member States delivered their opinion, on 25 June, on the inclusion of training courses concerned with drug addiction in higher education programmes (→ point 740). In its European action plan for equal opportunities for people with disabilities, presented on 15 October, the Commission identified lifelong learning and the use of new technologies as priority elements (→ point 162).

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<sup>(1)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.4.13.

<sup>(2)</sup> OJ C 244, 10.10.2003; Bull. 4-2003, point 1.4.15.

<sup>(3)</sup> COM(2002) 629; 2002 General Report, point 515.

<sup>(4)</sup> COM(2003) 685; Bull. 11-2003, point 1.4.35.

<sup>(5)</sup> Bull. 3-2000, points I.12 to I.14.

<sup>(6)</sup> COM(2002) 779; Bull. 1/2-2003, point 1.4.28.

<sup>(7)</sup> Bull. 11-2003, point 1.4.36.

<sup>(8)</sup> COM(2003) 58; Bull. 1/2-2003, point 1.4.29.

<sup>(9)</sup> Bull. 11-2003, point 1.4.37.

<sup>(10)</sup> Bull. 11-2003, point 1.4.39.

<sup>(11)</sup> Bull. 1/2-2003, point 1.1.5.

<sup>(12)</sup> Bull. 11-2003, point 1.4.38.

558. *eLearning* <sup>(1)</sup>. On 5 December, the European Parliament and the Council adopted a multiannual programme (2004–06) for the effective integration of information and communication technologies (ICTs) in education and training systems in Europe, known as the ‘eLearning’ programme (Table I). This programme, with an estimated funding package of EUR 44 million, is designed to develop the opportunities offered by the ‘Internet and multimedia’ tools for promoting online learning, e.g. setting up virtual universities and twinning of schools via the Internet.

### Programmes and actions <sup>(2)</sup>

559. *Education*. On 27 February, the European Parliament and the Council amended the annex to Decision No 253/2000/EC establishing the second phase of the Socrates programme <sup>(3)</sup>, with a view to reducing the administrative burden on beneficiaries (Table I). On 27 May, the Commission proposed a Community action programme for 2004–06, providing for the award of grants to bodies active at European level to promote and support specific activities in the field of education and training (Table I). On 5 December, the European Parliament and the Council decided to establish the multiannual (2004–08) ‘Erasmus Mundus’ programme <sup>(4)</sup> aimed at improving the quality of higher education and promoting intercultural understanding through cooperation with third countries (Table I). With a funding package of EUR 230 million, the programme is designed to enhance the mobility of students, particularly at postgraduate level, and teachers from third countries, by the provision of grants and by the creation of 90 inter-university networks. It also seeks to encourage the mobility of European students and academics in the direction of third countries.

In school education (Comenius <sup>(5)</sup> strand of the Socrates programme), more than 10 000 schools were involved in partnerships, with some 25 000 pupils and 35 000 teachers benefiting from mobility. In connection with the training of school education staff, more than 5 000 language teachers were able to enhance their skills through Europe-wide mobility, with 43 new transnational cooperation projects being selected for Community funding. Seeking to showcase the Comenius achievements, the Commission teamed up with the Socrates national agencies to organise a ‘Comenius week’ aimed at disseminating the results of projects throughout the Community institutions and the 30 participating countries. The Comenius Networks action gave rise to the selection of seven new projects. Lastly, within the framework of the Arion action, the Commission awarded 1 750 mobility grants to education specialists and decision-makers from 31 countries, enabling them to participate in one of the 165 study visits covering the 22 themes of the programme, connected with the development of education policies in the Member States and acceding

<sup>(1)</sup> [http://europa.eu.int/comm/education/programmes/elearning/index\\_en.html](http://europa.eu.int/comm/education/programmes/elearning/index_en.html).

<sup>(2)</sup> [http://europa.eu.int/comm/dgs/education\\_culture/guide/liste\\_en.html](http://europa.eu.int/comm/dgs/education_culture/guide/liste_en.html).

<sup>(3)</sup> [http://europa.eu.int/comm/education/programmes/socrates/socrates\\_en.html](http://europa.eu.int/comm/education/programmes/socrates/socrates_en.html).

<sup>(4)</sup> [http://europa.eu.int/comm/education/programmes/mundus/index\\_en.html](http://europa.eu.int/comm/education/programmes/mundus/index_en.html).

<sup>(5)</sup> [http://europa.eu.int/comm/education/programmes/socrates/comenius/index\\_en.html](http://europa.eu.int/comm/education/programmes/socrates/comenius/index_en.html).

States, with particular reference to the detailed work programme on the specific future objectives of education and training systems.

In the higher education field (Erasmus <sup>(1)</sup> strand of the Socrates programme), financial assistance for the organisation of transnational mobility was granted to 1 982 higher education establishments for the 2003/04 academic year. At the same time, 262 joint syllabus development projects (including 50 programmes and 13 European modules) and 199 intensive programmes qualified for financial support. Moreover, 14 new thematic network projects (bringing together faculties, departments, associations and socio-economic partners from all the participating countries) were given financial assistance, while 21 thematic network projects were renewed for a second year of activity and three of the networks received funding to disseminate and exploit the key results obtained at the end of a three-year cycle of activity. Under Action 1, Erasmus provided additional aid for 11 development projects. The Commission also gave its support to the European network for quality assurance in higher education, set up in 2000 <sup>(2)</sup> pursuant to Council Recommendation 98/561/EC.

In the sphere of adult education and other educational pathways (Grundtvig <sup>(3)</sup> strand of the Socrates programme), over 40 new cooperation projects involving more than 300 organisations throughout Europe were financed under Grundtvig 1, together with five new large-scale European networks encompassing more than 70 participating organisations under Grundtvig 4. A total of 243 learning partnerships were set up under Grundtvig 2, involving 1 168 organisations across 30 European countries. In addition, more than a thousand members of adult education staff (both teaching and administrative) received Grundtvig 3 grants.

Under the Minerva <sup>(4)</sup> strand of the Socrates programme, more than 40 transnational projects bringing together key players in the new technologies sector in Europe, including all the European universities, encompassing open and distance learning, were financed in 2003. This action provides a basis for the *eLearning* programme tying in with Socrates.

Within the framework of the Socrates action plan for equal opportunities, the Commission supported the dissemination and research activities of the European Agency for Development in Special Needs Education. In this connection, a public hearing for young people with special educational needs from 22 European countries took place in the European Parliament.

In the course of 2003, the Eurydice network <sup>(5)</sup> proceeded with the annual update of Eurydice, its database on the 30 education systems covered by the network.

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<sup>(1)</sup> [http://europa.eu.int/comm/education/programmes/socrates/erasmus/erasmus\\_en.html](http://europa.eu.int/comm/education/programmes/socrates/erasmus/erasmus_en.html).

<sup>(2)</sup> OJ L 270, 7.10.1998; 1998 General Report, point 333.

<sup>(3)</sup> [http://europa.eu.int/comm/education/programmes/socrates/grundtvig/home\\_en.html](http://europa.eu.int/comm/education/programmes/socrates/grundtvig/home_en.html).

<sup>(4)</sup> [http://europa.eu.int/comm/education/programmes/socrates/minerva/ind1a\\_en.html](http://europa.eu.int/comm/education/programmes/socrates/minerva/ind1a_en.html).

<sup>(5)</sup> <http://www.eurydice.org>.

**560.** *Vocational training.* On 3 July, the Commission proposed a revision of the composition and organisational framework of the Advisory Committee on Vocational Training, as a result of social, political and institutional changes since its inception in 1963 <sup>(1)</sup> (Table II). As follow-up to the Council resolution seeking enhanced Europe-wide cooperation in education and vocational training <sup>(2)</sup>, three working groups were given mandates covering transparency of qualifications and skills, quality and credit transfer. The Commission also proposed, on 17 December, the creation of Europass, a single framework for the transparency of qualifications and skills in the form of a structured portfolio comprising a whole set of documents (Table II).

As far as the Leonardo da Vinci programme <sup>(3)</sup> is concerned, a mobility-oriented budget of EUR 83 million made it possible to finance more than 40 000 periods of stay abroad for young people undergoing basic vocational training, students, young workers and trainers. Additionally, 278 projects from 30 countries were selected in 2003 in line with the objectives of the 2003–04 call for proposals <sup>(4)</sup>, qualifying for a Community subsidy of EUR 92.6 million to co-finance their activities.

In March, the Commission launched the Ploteus Internet portal <sup>(5)</sup>, designed to facilitate transnational mobility for education and training purposes by providing appropriate information to those seeking it. The information is selected and updated by the network of national resource centres for vocational guidance (Euroguidance), backed by the Leonardo da Vinci programme.

**561.** *Cooperation with third countries* <sup>(6)</sup>. In a report dated 18 February <sup>(7)</sup> on the application of the Tempus III programme <sup>(8)</sup> in 2001, the Commission welcomed the extension of the geographical basis of the programme to the western Balkan countries, and reiterated the importance of supporting the process of higher education reform in Mediterranean third countries.

In the course of the year, the Commission committed EUR 52.3 million for the funding of 129 joint European projects and 486 mobility grants in the western Balkans, the Mediterranean, central Europe and central Asia. It also financed 18 cooperation projects for higher education and training, amounting to EUR 2.3 million, with Canada and the United States, and launched two pilot projects for cooperation with Australia and Japan in the field of higher education, with funding of EUR 395 000.

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<sup>(1)</sup> Rules of the Committee: 63/688/EEC; OJ 190, 30.12.1963.

<sup>(2)</sup> OJ C 13, 18.1.2003; 2002 General Report, point 515.

<sup>(3)</sup> Council Decision 1999/382/EC (OJ L 146, 11.6.1999; 1999 General Report, point 283; [http://europa.eu.int/comm/education/programmes/leonardo/leonardo\\_en.html](http://europa.eu.int/comm/education/programmes/leonardo/leonardo_en.html)).

<sup>(4)</sup> OJ C 117, 18.5.2002.

<sup>(5)</sup> <http://europa.eu.int/ploteus/portal/home.jsp>.

<sup>(6)</sup> [http://europa.eu.int/comm/education/policies/cooperation/cooperation\\_en.html](http://europa.eu.int/comm/education/policies/cooperation/cooperation_en.html).

<sup>(7)</sup> COM(2003) 90; Bull. 1/2-2003, point 1.4.34.

<sup>(8)</sup> [http://europa.eu.int/comm/education/programmes/tempus/index\\_en.html](http://europa.eu.int/comm/education/programmes/tempus/index_en.html).

**562.** *Jean Monnet project* <sup>(1)</sup>. For the 2003 Jean Monnet project (European integration in university studies), the Commission selected 151 new teaching projects, thereby bringing to 616 the number of Jean Monnet chairs worldwide, along with 90 Jean Monnet centres of excellence. Providing support for the setting up of regional and transnational research groups organised by the academic world, the Commission adopted four projects. At the same time, the Jean Monnet project continued with the organisation of working and discussion groups covering topics of current Community interest, including a conference on the theme of 'Gender equality and Europe's future', which was held in Brussels in March with more than 200 participants from academic, political and associated circles.

**563.** *Cooperation with networks on European integration*. The Commission continued its policy of cooperation with the networks of ECSA (European Community Studies Association) professors, currently encompassing 51 national associations, with 16 grants being awarded. Furthermore, the Commission selected 39 projects in support of initiatives from the academic world aimed at promoting discussion, reflection and knowledge about the process of European integration.

## **Youth** <sup>(2)</sup>

**564.** *Follow-up to the White Paper on youth* <sup>(3)</sup>. Further to the White Paper on youth <sup>(4)</sup>, the Commission adopted, on 11 April <sup>(5)</sup>, a communication which, following on from the Council resolution of June 2002 <sup>(6)</sup>, set out common objectives concerning the participation and information of young people, dealing with aspects such as their effective participation in democratic life and access to quality information. The Commission helped to reinforce the youth dimension within other policies, particularly as regards the European employment strategy and education policy. The European Youth Week in September provided an opportunity to tie together various strands of the White Paper follow-up and the 'Youth' programme activities, and to present a provisional version of the European Youth portal. On 25 November <sup>(7)</sup>, the Council set out its views on the future of cooperation in the field of youth.

**565.** *Youth* <sup>(8)</sup> and *Euro-Med Youth* <sup>(9)</sup> programmes. In conclusions adopted on 6 May <sup>(10)</sup>, the Council looked at the future of youth activities in the context of the new generation of programmes. Some 12 000 projects involving organisations from 42 coun-

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<sup>(1)</sup> [http://europa.eu.int/comm/education/programmes/ajm/index\\_en.html](http://europa.eu.int/comm/education/programmes/ajm/index_en.html).

<sup>(2)</sup> [http://europa.eu.int/comm/youth/index\\_en.html](http://europa.eu.int/comm/youth/index_en.html).

<sup>(3)</sup> [http://europa.eu.int/comm/youth/whitepaper/index\\_en.html](http://europa.eu.int/comm/youth/whitepaper/index_en.html).

<sup>(4)</sup> COM(2001) 681; 2001 General Report, point 581.

<sup>(5)</sup> COM(2003) 184; Bull. 4-2003, point 1.4.16.

<sup>(6)</sup> 2002 General Report, point 527.

<sup>(7)</sup> Bull. 11-2003, point 1.4.39.

<sup>(8)</sup> [http://europa.eu.int/comm/youth/program/index\\_en.html](http://europa.eu.int/comm/youth/program/index_en.html).

<sup>(9)</sup> [http://europa.eu.int/comm/youth/priorities/euromed\\_en.html](http://europa.eu.int/comm/youth/priorities/euromed_en.html).

<sup>(10)</sup> O J C 115, 15.5.2003; Bull. 5-2003, point 1.4.24.

tries received funding under the ‘Youth’ programme, enabling more than 115 000 young people to take part in intercultural learning and non-formal education activities, with particular emphasis on mobility through exchanges and European voluntary service. The Commission also supported 14 large-scale European projects in connection with young people’s cooperation, information and training, and five projects forming part of joint actions on topics such as young people’s active citizenship. The Athens Declaration ‘Towards a barrier-free Europe for young people with disabilities’ was drawn up on 16 and 17 May. As part of the Euro-Med Youth programme, a Euro-Med Youth platform was launched in Malta with the aim of facilitating partnership and cooperation among youth organisations across the Mediterranean region.

566. *Promotion and support of active bodies.* On 27 May, the Commission proposed establishing a Community action programme to provide, in the period 2004–06, for the award of grants for activities run by non-governmental organisations promoting bodies active at European level in the field of youth (Table I).

## Language learning <sup>(1)</sup>

567. *The linguistic dimension.* Following on from the successful European Year of Languages in 2001, and in the light of an opinion delivered by the European Economic and Social Committee on 23 January <sup>(2)</sup>, the Commission adopted, on 24 July <sup>(3)</sup>, an action plan for the period 2004–06, geared to promoting language learning and linguistic diversity. Three priority areas for action were identified: extending the benefits of lifelong language learning to all citizens; improving the quality of language teaching; and creating a more language-friendly environment. This initiative was welcomed by the Committee of the Regions on 19 November <sup>(4)</sup>. On 4 September <sup>(5)</sup>, the European Parliament formulated recommendations for linguistic diversity as a result of enlargement, placing emphasis on the less widely used regional European languages and the languages of minorities.

## European bodies and centres

568. *European Centre for the Development of Vocational Training (Cedefop)* <sup>(6)</sup>. In line with its medium-term priorities for the 2003–06 period, the Centre assisted the Commission in its efforts to bring about enhanced cooperation in education and vocational training <sup>(7)</sup>, particularly through the creation of virtual communities to facilitate communication within the technical working groups dealing with transparency of qualifications,

<sup>(1)</sup> [http://europa.eu.int/comm/education/policies/lang/languages/index\\_en.html](http://europa.eu.int/comm/education/policies/lang/languages/index_en.html).

<sup>(2)</sup> OJ C 85, 8.4.2003; Bull. 1/2-2003, point 1.4.33.

<sup>(3)</sup> COM(2003) 449; Bull. 7/8-2003, point 1.4.12.

<sup>(4)</sup> Bull. 11-2003, point 1.4.42.

<sup>(5)</sup> Bull. 9-2003, point 1.4.16.

<sup>(6)</sup> <http://www.cedefop.eu.int/>.

<sup>(7)</sup> 2002 General Report, point 515.

credit transfer and guidance and advice on lifelong learning and vocational training. It continued to develop and extend its network of reference and expertise covering electronic information on education and vocational training activities and systems, and joined forces with the European Training Foundation to devise strategies in preparation for enlargement.

**569.** *European Training Foundation (Turin)* <sup>(1)</sup>. On 22 May <sup>(2)</sup>, the Commission assessed the work of the Foundation since 1997. It welcomed the contribution the Foundation was making, but felt that it should accelerate its adaptation to the new external relations environment by consolidating its activities systematically in line with Community priorities and Commission approaches.

**570.** *European University Institute (Florence)* <sup>(3)</sup>. The Commission contributed a total of EUR 4.3 million towards the 2003 budget of the European University Institute, which was earmarked for certain scientific and research activities, more specifically those of the Robert Schuman Centre, the European Forum and the Academy of European Law, with EUR 1.2 million being accounted for by the historical archives of the European Communities, which are managed by the Institute. The four departments (history, economics, law, political and social sciences) hold 50 chairs, eight of them jointly with the Schuman Centre. There are around 500 grant-aided researchers (some of them from third countries), and 86 doctorates were awarded in 2003.

Among the activities of the Schuman Centre, the annual meeting of the Mediterranean programme brought together 250 specialists in the largest meeting of researchers from the Mediterranean region. The Centre devised a project on the theme of new government practices. The European Forum addressed the issue of 'Europe after globalisation: regulatory cooperation and regulatory competition in an integrating world economy'.

The Academy of European Law held summer sessions on human rights and on Community law, and continued with electronic publication of the *European Foreign Policy Bulletin*.

## Culture <sup>(4)</sup>

**571.** *General aspects*. In a resolution of 26 May on horizontal aspects of culture <sup>(5)</sup>, the Council considered it necessary to develop exchanges of good practice on the economic and social dimensions of culture, and to strengthen interaction with other Community activities. Having regard to the 32nd session of the Unesco General Conference <sup>(6)</sup>, the Commission set out its views, on 27 August <sup>(7)</sup>, on an international instrument on cultural

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<sup>(1)</sup> <http://www.etf.eu.int/>.

<sup>(2)</sup> COM(2003) 287; Bull. 5-2003, point 1.4.20.

<sup>(3)</sup> <http://www.iue.it>.

<sup>(4)</sup> [http://europa.eu.int/comm/culture/eac/index\\_en.html](http://europa.eu.int/comm/culture/eac/index_en.html).

<sup>(5)</sup> OJ C 136, 11.6.2003; Bull. 5-2003, point 1.4.27.

<sup>(6)</sup> <http://www.unesco.org/>.

<sup>(7)</sup> COM(2003) 520; Bull. 7/8-2003, point 1.4.13.

diversity. On 5 May, the Council adopted a resolution on accessibility of cultural infrastructure and cultural activities for people with disabilities (→ point 162).

**572.** *Promotion and support of active bodies.* On 27 May, the Commission proposed a multiannual (2004–08) Community action programme providing for grants to be given to bodies active at European level for the promotion and support of specific activities in the field of culture (Table I).

**573.** *Culture 2000 programme* <sup>(1)</sup>. In 2003, the Culture 2000 programme was extended to Cyprus and Malta. In the course of the year, support was given to more than 220 European cultural cooperation projects. On 16 April, the Commission proposed amending Decision No 508/2000/EC establishing the Culture 2000 programme, with a view to extending the programme into 2005 and 2006, and setting an overall funding package of EUR 236.5 million for the purpose of programme continuity (Table I). On 24 November <sup>(2)</sup>, it reported on the implementation of the Culture 2000 programme in 2000 and 2001.

**574.** *European Capital of Culture.* On 6 May <sup>(3)</sup>, the Council named Patras (Greece) as the European Capital of Culture for 2006. The Commission had already stated, on 28 April <sup>(4)</sup>, that it saw no procedural objections to this decision. With enlargement in mind, it proposed, on 17 November, that the new Member States be brought into the Capital of Culture process and that the selection procedure be modified accordingly (Table I).

**575.** *Cultural industries.* In a resolution adopted on 4 September <sup>(5)</sup>, the European Parliament called on the Commission to develop a broad range of measures to promote the competitiveness of cultural industries and to coordinate the relevant policies.

**576.** *Archives in the Member States.* With a view to strengthening coordination and the exchange of good practice between national archives services, the Council called, in a resolution of 6 May <sup>(6)</sup>, for a group of experts to be set up to look into national practices.

**577.** *European museums.* On 24 November <sup>(7)</sup>, the Council adopted a resolution on the creation of a cultural area of European museums, and to this end called for close cooperation between cultural institutions, museums and other interested parties.

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<sup>(1)</sup> [http://europa.eu.int/comm/culture/eac/culture2000/cult\\_2000\\_en.html](http://europa.eu.int/comm/culture/eac/culture2000/cult_2000_en.html).

<sup>(2)</sup> COM(2003) 722; Bull. 11-2003, point 1.4.46.

<sup>(3)</sup> Decision 2003/399/EC (OJ L 139, 6.6.2003; Bull. 5-2003, point 1.4.28).

<sup>(4)</sup> COM(2003) 210; Bull. 4-2003, point 1.4.19.

<sup>(5)</sup> Bull. 9-2003, point 1.4.17.

<sup>(6)</sup> OJ C 113, 13.5.2003; Bull. 5-2003, point 1.4.29.

<sup>(7)</sup> OJ C 295, 5.12.2003; Bull. 11-2003, point 1.4.47.

## Audiovisual sector <sup>(1)</sup>

578. *General aspects.* On 24 November <sup>(2)</sup>, the Council called on the Member States to put in place efficient systems of deposit and preservation of the cinematographic works forming part of their audiovisual heritage. On 15 May, the European Parliament set out its views on protection for performers in the audiovisual sector (→ point 226).

579. *Television without frontiers.* On 6 January <sup>(3)</sup>, in its fourth report on the application of Directive 89/552/EEC <sup>(4)</sup>, the Commission took stock of the European approach to audiovisual questions. It also formulated a programme of work with a view to re-examining the directive in the light of technological and economic changes in the audiovisual sector. The Committee of the Regions delivered its opinion on this report on 3 July <sup>(5)</sup>. The European Parliament for its part stressed, on 4 September <sup>(6)</sup>, the importance of a full review of the directive, with special reference to providing a general framework for the sector. In the light of consultations conducted with all the interested parties, the Commission adopted, on 15 December, a communication setting out the prospects for ‘the future of European regulatory audiovisual policy’ <sup>(7)</sup>. Seeking to offer a predictable policy environment for operators in an enlarged Europe, it set out a timetable for priority action in this connection.

580. *MEDIA programme* <sup>(8)</sup>. In 2003, the MEDIA Plus and MEDIA Training programmes were extended to Cyprus and Slovenia. In a report dated 24 November <sup>(9)</sup>, the Commission analysed the results of these two programmes and of the preparatory action ‘Growth and audiovisual: i2i audiovisual’. Support was given to more than 1 500 projects relating to the training of professionals, the development of production projects, the promotion and distribution of cinematographic works and audiovisual programmes, and film festivals. MEDIA backing was also provided for events such as CinEd@ys, which celebrated, from 10 to 24 October, European film heritage and cinematography. On 16 April, the Commission proposed that the MEDIA Plus and MEDIA Training programmes be prolonged until 31 December 2006, and that they be given budgets of EUR 435.6 million and EUR 57.4 million respectively (Table I). On 18 December <sup>(10)</sup>, it adopted a report on the implementation and results of the MEDIA II programme.

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<sup>(1)</sup> [http://europa.eu.int/comm/avpolicy/index\\_en.htm](http://europa.eu.int/comm/avpolicy/index_en.htm).

<sup>(2)</sup> OJ C 295, 5.12.2003; Bull. 11-2003, point 1.4.49.

<sup>(3)</sup> COM(2002) 778; Bull. 1/2-2003, point 1.4.36. Previous report: COM(2001) 9; 2001 General Report, point 596.

<sup>(4)</sup> OJ L 298, 17.10.1989; Twenty-third General Report, point 227; last amended by Directive 97/36/EC (OJ L 202, 30.7.1997; 1997 General Report, point 705).

<sup>(5)</sup> OJ C 256, 24.10.2003; Bull. 7/8-2003, point 1.4.14.

<sup>(6)</sup> Bull. 9-2003, point 1.4.19.

<sup>(7)</sup> COM(2003) 784; Bull. 12-2003, point 1.4.37.

<sup>(8)</sup> [http://europa.eu.int/comm/avpolicy/media/index\\_en.html](http://europa.eu.int/comm/avpolicy/media/index_en.html).

<sup>(9)</sup> COM(2003) 725; Bull. 11-2003, point 1.4.48.

<sup>(10)</sup> COM(2003) 802; Bull. 12-2003, point 1.4.38.

581. *Netd@ys*. The Netd@ys Europe initiative <sup>(1)</sup> promoting the use of new technologies, especially the Internet, in education and culture, concentrated on intercultural dialogue in 2003. More than 400 projects (competitions, short films, educational tools, virtual museums, online interaction, etc.) on the theme of intercultural dialogue and image, from 30 or so countries, received the Netd@ys label.

582. *European Audiovisual Observatory* <sup>(2)</sup>. The Commission proposed, on 10 December, a two-year extension to Council Decision 1999/784/EC <sup>(3)</sup> concerning Community participation in the European Audiovisual Observatory (Table I).

583. *Protection of minors and human dignity*. On 12 December <sup>(4)</sup>, the Commission adopted a report evaluating the competitiveness of the European audiovisual services and information industry, and the protection of minors and human dignity <sup>(5)</sup>.

## Sport <sup>(6)</sup>

584. *Education through sport*. On 6 February, the European Parliament and the Council adopted Decision 2003/291/EC proclaiming 2004 the European Year of Education through Sport and establishing a framework of coordinated activities at European level to convey the educational values of sport (Table I). In a declaration issued on 6 May <sup>(7)</sup>, the Council stressed the social value of sport for young people, especially its positive role in terms of social cohesion and in educational systems. On 5 June <sup>(8)</sup>, the European Parliament, seeking to encourage women and girls to take part in sport, called for the promotion of female sport in all Community programmes and actions.

585. *Olympic Games*. Questions relating to the issuing of visas for the 2004 Olympic Games and/or Paralympic Games are dealt with in Section 1 ('Area of freedom, security and justice') of Chapter V (→ point 502).

## Relations, partnerships and communication with civil society <sup>(9)</sup>

### Dialogue with citizens

586. *Relations and partnerships with civil society*. In 2003, the Commission pressed on with its initiatives in support of civil society with a view to encouraging active and partic-

<sup>(1)</sup> [http://europa.eu.int/comm/education/programmes/netdays/index\\_en.html](http://europa.eu.int/comm/education/programmes/netdays/index_en.html); <http://www.netdayseurope.org/>.

<sup>(2)</sup> <http://www.obs.coe.int/>.

<sup>(3)</sup> OJ L 307, 2.12.1999; 1999 General Report, point 308.

<sup>(4)</sup> COM(2003) 776; Bull. 12-2003, point 1.4.36.

<sup>(5)</sup> Recommendation 98/560/EC (OJ L 270, 7.10.1998; 1998 General Report, point 658).

<sup>(6)</sup> [http://europa.eu.int/comm/sport/index\\_en.html](http://europa.eu.int/comm/sport/index_en.html).

<sup>(7)</sup> OJ C 134, 7.6.2003; Bull. 5-2003, point 1.4.25.

<sup>(8)</sup> Bull. 6-2003, point 1.4.40.

<sup>(9)</sup> [http://europa.eu.int/comm/dgs/education\\_culture/civilsociety/en.htm](http://europa.eu.int/comm/dgs/education_culture/civilsociety/en.htm).

ipatory European citizenship. A total of 123 projects were co-financed. In addition, a series of 25 or so targeted visits were organised, giving the Commission an opportunity to exchange views with civil society on its activities. It also took steps to build up its Infonet website <sup>(1)</sup> aimed at stimulating debate, within civil society organisations, on the future of Europe.

587. *Town twinning* <sup>(2)</sup>. Operating with an overall budget of EUR 12 million, the Commission continued to support meetings between citizens of towns and municipalities in Europe, in order to encourage active and participatory European citizenship and to strengthen intercultural dialogue. More than 2 100 grant applications were submitted, 1 769 of them concerned with exchanges between citizens of twinned towns and 367 connected with theme-based events and training seminars. In all, 1 328 projects were accepted: 1 198 exchanges between citizens involving 2 750 towns and municipalities, 508 of them situated in future Member States, and 130 conferences, 33 of which were organised in future Member States and candidate countries.

### Specific communication actions on education and culture

588. The Commission gave a high profile to its activities in the fields of film and the audiovisual sector (MEDIA prize, CinEd@ys <sup>(3)</sup>, Netd@ys), cultural heritage (Europa Nostra), contemporary architecture (Mies van der Rohe award), sport (Special Olympics, Tour de France), education (Comenius week), young people (Youth week) and town twinning (Gold stars). In 2003, it opened new premises to accommodate more visitors. A thousand or so individual requests for information were handled each month, and a more targeted approach was taken to online information, exhibitions, publications and relations with television journalists.

### Libraries

589. The Commission's central library <sup>(4)</sup>, serving officials from all the institutions and outside researchers on request, completed the computerisation of its periodical collections. The feasibility study for creating an interinstitutional library, launched in 2002 <sup>(5)</sup>, was carried through.

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<sup>(1)</sup> <http://europa.eu.int/infonet/en/index.htm>.

<sup>(2)</sup> [http://europa.eu.int/comm/dgs/education\\_culture/towntwin/index\\_en.html](http://europa.eu.int/comm/dgs/education_culture/towntwin/index_en.html).

<sup>(3)</sup> <http://www.cineuropa.org/cinedays/>.

<sup>(4)</sup> <http://europa.eu.int/eclas/>.

<sup>(5)</sup> 2002 General Report, point 550.

## Section 4

# Environment <sup>(1)</sup>

## Overview

590. *For Community environment policy, 2003 was a year both of consolidation and of new challenges. Sustainable development remained the overarching objective, and the efforts to take the environment into account in the policies for other sectors were therefore stepped up. Major new developments in the four priority areas of the sixth environment action programme included adoption of an environment and health strategy and a proposal for a new policy on chemicals (REACH). Guidelines were laid down for the thematic strategies on resources, waste and recycling. Substantial progress was also made on climate change with the adoption of a directive on Kyoto instruments and a regulation on fluorinated greenhouse gases. At the same time, the European Union continued to play a leading role at world level in pushing for ratification of the Kyoto Protocol by the key parties.*

## Climate change <sup>(2)</sup>

591. *Greenhouse effect.* In order to enable the European Union to meet its obligations under the United Nations Framework Convention on Climate Change <sup>(3)</sup> and the Kyoto Protocol <sup>(4)</sup>, on 13 October the European Parliament and the Council adopted Directive 2003/87/EC establishing a Community scheme for greenhouse gas emission allowance trading to be phased in by 2012 (Table I). Pursuing the twin objectives of cost-effective global reduction of emissions of greenhouse gases and of smooth operation of the internal market without distortion of competition, the new directive provides for the allocation and trading of authorised emission allowances, and penalties in the event of non-compliance, with a view to making the information reported by the Member States generally prompter, more consistent, more accurate, fuller and more transparent and comparable. On 5 February the Commission proposed amendments to the mechanism currently in force for monitoring greenhouse gas emissions <sup>(5)</sup> (Table I). In a report <sup>(6)</sup> adopted on 28 November on the mechanism for monitoring greenhouse gas emissions it noted that greenhouse gas emissions had increased for the second consecutive year (up by 1 %), taking them above the Kyoto target path. On 23 July the Commission had already proposed to ensure equivalence, within the Community system, of certain market-based flexible mechanisms envis-

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/environment/index\\_en.htm](http://europa.eu.int/comm/environment/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/environment/climat/home\\_en.htm](http://europa.eu.int/comm/environment/climat/home_en.htm).

<sup>(3)</sup> OJ L 33, 7.2.1994; Twenty-seventh General Report, point 491.

<sup>(4)</sup> 1997 General Report, point 552; Internet (<http://www.unfccc.int/resource/docs/convkp/kpeng.html>).

<sup>(5)</sup> Decision 93/389/EEC (OJ L 167, 9.7.1993; Twenty-seventh General Report, point 489).

<sup>(6)</sup> COM(2003) 735; Bull. 11-2003, point 1.4.65. Previous report: COM(2002) 702; 2002 General Report, point 587.

aged by the Kyoto Protocol, namely JI ('Joint implementation') and CDM ('Clean development mechanism') credits (Table I). This system aims to promote technology transfer and cut compliance costs. On 11 August, with a view to reducing emissions of fluorinated gases, the Commission proposed measures relating to the containment, reporting, marketing and use of such gases (Table I). From 5 to 7 March <sup>(1)</sup> the European troika visited Russia to discuss closer cooperation to combat climate change.

**592.** *United Nations Framework Convention on Climate Change.* The ninth conference <sup>(2)</sup> of the parties to the United Nations Framework Convention on Climate Change (COP9) <sup>(3)</sup> was held in Milan from 1 to 12 December. The Council prepared for this conference at its meeting on 1 and 2 December <sup>(4)</sup>.

**593.** *Ozone layer.* In order to bring the European legislation into line with the requirements of the Montreal Protocol <sup>(5)</sup> and to contribute to speeding up the process of regeneration of the ozone layer, on 22 September the European Parliament and the Council adopted Regulation (EC) No 1804/2003 (Table I). On 4 November <sup>(6)</sup> the Council adopted a decision concerning the participation of the Community in the negotiations on the modifications and adaptations of the Montreal Protocol with regard to substances which deplete the ozone layer.

## **Protection of nature and biodiversity, forests <sup>(7)</sup>**

### **Agriculture and protection of forests**

**594.** *Biological diversity.* In preparation for the seventh conference of the parties to the Convention on Biological Diversity (COP7) <sup>(8)</sup> and for the first conference of the parties to the Cartagena Protocol on biosafety, both of which will be held in Malaysia from 9 to 27 February 2004, the Council adopted conclusions on this subject on 22 December <sup>(9)</sup>. On 23 December <sup>(10)</sup> the Commission adopted a communication on the implementation by the Community of the 'Bonn guidelines' on access to genetic resources and benefit-sharing under the Convention on Biological Diversity.

**595.** *Forests.* Following the changes made to the relevant legislation in 2001 <sup>(11)</sup> and 2002 <sup>(12)</sup>, on 17 November the European Parliament and the Council adopted Regulation

<sup>(1)</sup> Bull. 3-2003, point 1.4.29.

<sup>(2)</sup> Previous conference: 2002 General Report, point 588.

<sup>(3)</sup> <http://unfccc.int/cop9/>.

<sup>(4)</sup> Bull. 12-2003, point 1.4.58.

<sup>(5)</sup> 1997 General Report, point 553.

<sup>(6)</sup> Bull. 11-2003, point 1.4.67.

<sup>(7)</sup> [http://europa.eu.int/comm/environment/nature\\_biodiversity/index\\_en.htm](http://europa.eu.int/comm/environment/nature_biodiversity/index_en.htm).

<sup>(8)</sup> <http://www.biodiv.org/default.aspx?lg=0>.

<sup>(9)</sup> Bull. 12-2003, point 1.4.49.

<sup>(10)</sup> COM(2003) 821; Bull. 12-2003, point 1.4.48.

<sup>(11)</sup> Regulations (EC) Nos 1484/2001 and 1485/2001 (OJ L 196, 20.7.2001; 2001 General Report, point 622).

<sup>(12)</sup> Regulation (EC) No 804/2002 (OJ L 132, 17.5.2002; 2002 General Report, point 572).

(EC) No 2152/2003 which defines a four-year (2003–08) comprehensive, harmonised approach for activities relating to monitoring and protecting forests from atmospheric pollution and fires, biodiversity, climate change, carbon sequestration and soils. The regulation establishes a system for evaluating and assessing the action taken (Table I). In order to combat illegal logging and prevent related trade, on 21 May <sup>(1)</sup> the Commission defined the basis for a Community action plan on forest law enforcement, governance and trade (FLEGT). This action plan aims to strengthen multilateral cooperation and establish complementary measures focusing on demand and aimed at reducing the consumption of illegally harvested timber. Other development-related aspects of this plan are dealt with in Section 4 ('Development cooperation') of Chapter VI (→ point 828). In its conclusions of 13 October <sup>(2)</sup> the Council supported this action plan. From 28 to 30 April the Fourth Ministerial Conference on the Protection of Forests in Europe took place in Vienna (→ point 443).

### Protection of water, the marine environment and soil

**596.** *Sustainable production.* On 19 June <sup>(3)</sup> the Commission adopted a communication evaluating the progress made by the Member States and the candidate countries in implementing Directive 96/61/EC concerning integrated pollution prevention and control (the 'IPPC directive') <sup>(4)</sup>. The European Economic and Social Committee gave its opinion on the guidelines set out by the Commission in this communication on 11 December <sup>(5)</sup>. The Commission also launched widespread public consultations on matters relating to the implementation and future development of the policy, which covers the environmental impacts of major industrial sources of pollution.

**597.** *Maritime protection.* On 4 March <sup>(6)</sup> and 19 June <sup>(7)</sup> respectively the Council and the European Parliament called for implementation of the strategy to protect and conserve the marine environment <sup>(8)</sup>. The Committee of the Regions and the European Economic and Social Committee supported this position on 10 April <sup>(9)</sup> and 14 May <sup>(10)</sup> respectively.

**598.** *Maritime pollution.* On 9 October the Commission proposed amending the protocol to the Barcelona Convention for the Protection of the Mediterranean Sea against Pollution <sup>(11)</sup> to add the provisions necessary to develop a regional strategy to prevent

<sup>(1)</sup> COM(2003) 251; Bull. 5-2003, point 1.4.40.

<sup>(2)</sup> Bull. 10-2003, point 1.4.31.

<sup>(3)</sup> COM(2003) 354; Bull. 6-2003, point 1.4.44.

<sup>(4)</sup> OJ L 257, 10.10.1996; 1996 General Report, point 453.

<sup>(5)</sup> Bull. 12-2003, point 1.4.45.

<sup>(6)</sup> Bull. 3-2003, point 1.4.18.

<sup>(7)</sup> Bull. 6-2003, point 1.4.47.

<sup>(8)</sup> COM(2002) 539; 2002 General Report, point 567.

<sup>(9)</sup> OJ C 244, 10.10.2003; Bull. 4-2003, point 1.4.26.

<sup>(10)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.4.39.

<sup>(11)</sup> Decision 77/585/EEC (OJ L 240, 19.9.1977), as amended by Decision 1999/802/EC (OJ L 322, 14.12.1999; 1999 General Report, point 457).

pollution of the marine environment by ships and to develop mutual assistance and cooperation (Table III). Maritime safety and the consequences of the *Prestige* disaster are dealt with in Section 6 ('Transport') of this chapter (→ point 683).

599. *Protection of water* <sup>(1)</sup>. To back up the Community rules on the protection of water <sup>(2)</sup>, on 19 September the Commission proposed specific measures to prevent and control pollution of groundwater, such as the definition of criteria for assessing the good chemical status of these waters and threshold values for pollutants (Table I).

600. *Soil protection* <sup>(3)</sup>. On 12 February <sup>(4)</sup> and 19 November <sup>(5)</sup> the Committee of the Regions and the European Parliament respectively supported the approach to the thematic strategy for soil protection, developed by the Commission in 2002 <sup>(6)</sup>.

### Civil protection and environmental accidents <sup>(7)</sup>

601. *Prevention and limitation of risks*. Following the industrial accidents in Baia Mare and Enschede in 2000 and then in Toulouse in 2001 and in the light of the studies on carcinogenic substances and substances posing hazards for the aquatic environment, on 16 December the European Parliament and the Council adopted Directive 2003/105/EC amending the 'Seveso II' directive (Table I). The new directive now includes chemical and thermal processing operations in mining as well as operational management facilities for tailings containing dangerous substances and also applies to carcinogenic substances. A number of provisions have been tightened up on points such as information for the public or training for emergencies. Member States are also required to provide the Commission with minimum data on all 'Seveso sites' within their territory. On 22 December <sup>(8)</sup>, the Council adopted a resolution on strengthening Community cooperation in the field of research on civil protection.

602. *Heatwave*. In response to the effects of the summer heatwave, on 4 September <sup>(9)</sup> the European Parliament called for a joint infrastructure restoration plan to be set up for the regions concerned, together with a rehabilitation plan for the areas affected, by reallocating a proportion of Community funds.

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<sup>(1)</sup> <http://europa.eu.int/comm/environment/water/index.html>.

<sup>(2)</sup> Directive 2000/60/EC (OJ L 327, 22.12.2000; 2000 General Report, point 548).

<sup>(3)</sup> <http://europa.eu.int/comm/environment/soil/index.htm>.

<sup>(4)</sup> OJ C 128, 29.5.2003; Bull. 1/2-2003, point 1.4.44.

<sup>(5)</sup> Bull. 11-2003, point 1.4.58.

<sup>(6)</sup> COM(2002) 179; 2002 General Report, point 569.

<sup>(7)</sup> <http://europa.eu.int/comm/environment/civil/index.htm>.

<sup>(8)</sup> Bull. 12-2003, point 1.3.99.

<sup>(9)</sup> Bull. 9-2003, point 1.4.23.

## Environment and health <sup>(1)</sup>

### Integrated strategy

603. *Environment and health.* Considering that certain diseases are linked to environmental factors, on 11 June <sup>(2)</sup> the Commission proposed formulating a European strategy on environment and health to provide a means of identifying and preventing health risks. To this end, it advocated an integrated approach to environmental and health issues and announced the development of an action plan for the future based on full stakeholder participation. On 27 October <sup>(3)</sup> the Council made recommendations for formulating such a strategy.

604. Radiation protection issues are dealt with in Section 5 ('Energy') of this chapter (→ points 655 and 656).

### Chemicals, industrial substances and pesticides

605. *Use of animals for experimental purposes.* On 22 January <sup>(4)</sup> the Commission adopted its third report on the statistics on the number of animals used for experimental and other scientific purposes in the Member States. On 22 July the European Parliament and the Council in turn adopted a directive to adapt the Community legislation in order to allow conclusion of the protocol amending the Council of Europe Convention for the protection of vertebrate animals used for experimental and other scientific purposes (Table I). The Council decision on conclusion of this amending protocol was also adopted on 22 July (Table III). However, the Community will not sign until after ratification by the Member States which are parties to the Convention. Again on 22 July <sup>(5)</sup> the Council authorised the Commission to negotiate amendments to Appendix A to the same Convention, containing accommodation and care guidelines for animals.

606. *Chemicals.* Issues concerning the registration, evaluation, authorisation and restrictions of chemicals (REACH) are dealt with in Section 7 ('Enterprise policy') of Chapter IV (→ point 311).

607. *International trade.* On 28 January the European Parliament and the Council adopted Regulation (EC) No 304/2003, which implements the Rotterdam Convention <sup>(6)</sup> on the prior informed consent procedure for certain hazardous chemicals and pesticides and encourages the sharing of responsibility as well as cooperation in this field (Table I).

<sup>(1)</sup> [http://europa.eu.int/comm/environment/health/index\\_en.htm](http://europa.eu.int/comm/environment/health/index_en.htm).

<sup>(2)</sup> COM(2003) 338; Bull. 6-2003, point 1.4.104.

<sup>(3)</sup> OJ C 268, 7.11.2003; Bull. 10-2003, point 1.4.77.

<sup>(4)</sup> COM(2003) 19; Bull. 1/2-2003, point 1.4.83.

<sup>(5)</sup> OJ L 198, 6.8.2003; Bull. 7/8-2003, point 1.4.71.

<sup>(6)</sup> <http://europa.eu.int/scadplus/leg/fr/lvb/l21281.htm>.

608. *Persistent organic pollutants (POPs)*. To enable the Community to become a party to the agreements on POPs and to incorporate all the international obligations into the Community legislation, on 12 June the Commission proposed concluding the Stockholm Convention, signed in 2001 <sup>(1)</sup> (Table III) and the 1998 protocol, to the 1979 Convention on Long-Range Transboundary Air Pollution, on persistent organic pollutants. In order to apply all the provisions of those international agreements, on 12 June the Commission also put forward a proposal for a regulation containing all the necessary legislative adjustments (Table I).

609. *Pesticides*. Out of awareness of the need to reduce the quantity of pesticides used and the risks which they pose, on 27 March <sup>(2)</sup> the European Parliament broadly supported the general approach proposed by the Commission in 2002 with a view to formulating a thematic strategy on the sustainable use of pesticides <sup>(3)</sup>. The European Economic and Social Committee had given its opinion on the subject earlier, on 23 January <sup>(4)</sup>.

### Biotechnology <sup>(5)</sup>

610. *Genetically modified organisms (GMOs)*. On 15 July, in order to incorporate the provisions of the Cartagena Protocol <sup>(6)</sup> into the Community legislation, the European Parliament and the Council adopted Regulation (EC) No 1946/2003 (Table I). This introduced a common system of notification and information regarding exports of GMOs to third countries, imposing on Community exporters requirements that go beyond those imposed by the protocol. On 22 September they subsequently adopted Regulation (EC) No 1830/2003 concerning the traceability and labelling of GMOs and the traceability of food and feed products produced from GMOs; the regulation is designed, in particular, to monitor the effects on the environment and, where appropriate, on health and to implement appropriate risk management measures (Table I). A resolution adopted by the European Parliament on 18 December <sup>(7)</sup> called for definition of a framework for coexistence between genetically modified crops and conventional or organic crops. Other issues relating to GMOs are dealt with in Section 7 ('Health and consumer protection') of this chapter (→ point 716) and Section 8 ('Research and technology policy') of Chapter IV (→ point 343).

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<sup>(1)</sup> 2001 General Report, point 628.

<sup>(2)</sup> Bull. 3-2003, point 1.4.20.

<sup>(3)</sup> COM(2002) 349; 2002 General Report, point 578.

<sup>(4)</sup> OJ C 85, 8.4.2003; Bull. 1/2-2003, point 1.4.46.

<sup>(5)</sup> [http://europa.eu.int/comm/environment/biotechnology/index\\_en.htm](http://europa.eu.int/comm/environment/biotechnology/index_en.htm).

<sup>(6)</sup> 2000 General Report, point 551.

<sup>(7)</sup> Bull. 12-2003, point 1.4.53.

## Air and noise <sup>(1)</sup>

611. *Air quality.* On 16 July the Commission proposed to set up, under the responsibility of the Member States, a system for monitoring ambient air concentrations and deposition of certain atmospheric pollutants (arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons) (Table I). On 13 June the Council in turn decided to approve the Community's accession to the protocol, to the 1979 Convention on Long-Range Transboundary Air Pollution, to abate acidification, eutrophication and ground-level ozone (Table III).

612. *Emission of gaseous pollutants.* On 5 September the Commission proposed measures to tighten up the Community requirements with the aim of limiting polluting emissions from new heavy-duty engines for use in vehicles through the introduction of new technical requirements and procedures (Table I). On 4 December <sup>(2)</sup>, the European Parliament welcomed the aim of the Commission to reduce emissions of air pollutants from seagoing ships <sup>(3)</sup>.

613. *Quality of fuel.* With a view to supplementing the specifications for air quality standards provided for in Directive 98/70/EC, on 3 March the European Parliament and the Council adopted Directive 2003/17/EC, which places an obligation on the Member States to reduce the sulphur content of petrol and diesel fuels by 2005 and to ensure full conversion to zero-sulphur fuels by 2009 (Table I).

## Management of resources

### Consumption and waste

614. *Integrated product policy.* On 18 June <sup>(4)</sup> the Commission adopted measures to ensure continuity in implementation of the integrated product policy defined in its 2001 Green Paper <sup>(5)</sup>, such as greening corporate purchasing and promoting environmental labelling. On 27 October <sup>(6)</sup> the Council adopted conclusions containing recommendations with a view to developing environmental life-cycle thinking. On 20 November <sup>(7)</sup> and 11 December <sup>(8)</sup> the Committee of the Regions gave its opinion on the lines of action proposed by the Commission.

<sup>(1)</sup> [http://europa.eu.int/comm/environment/air\\_en.htm](http://europa.eu.int/comm/environment/air_en.htm) and <http://europa.eu.int/comm/environment/noise/home.htm>.

<sup>(2)</sup> Bull. 12-2003, point 1.4.54.

<sup>(3)</sup> COM(2002) 595; 2002 General Report, point 582.

<sup>(4)</sup> COM(2003) 302; Bull. 6-2003, point 1.4.45.

<sup>(5)</sup> COM(2001) 68; 2001 General Report, point 613.

<sup>(6)</sup> Bull. 10-2003, point 1.4.27.

<sup>(7)</sup> Bull. 11-2003, point 1.4.53.

<sup>(8)</sup> Bull. 12-2003, point 1.4.52.

**615.** *Waste management* <sup>(1)</sup>. In a report of 19 May <sup>(2)</sup> the Commission noted gaps in application at national level of the Community mechanisms for the treatment of waste <sup>(3)</sup>. The European Parliament gave its opinion on this report on 19 November <sup>(4)</sup>. On 27 May <sup>(5)</sup>, in order to identify the most cost-effective measures for sustainable waste management and to draw up a thematic strategy on the prevention and recycling of waste, the Commission launched a consultation process. On 20 November the Committee of the Regions gave its opinion <sup>(6)</sup> on this new strategy. Furthermore, on 30 June the Commission proposed to amend the rules applying to the shipment of waste with a view to complying with the provisions of the Basle Convention <sup>(7)</sup> (Table I). On 27 November the Commission proposed consolidation of Directive 75/442/EEC on waste (Table I).

With regard to waste electrical and electronic equipment, on 27 January the European Parliament and the Council signed Directive 2002/95/EC, aimed at restricting the use of hazardous substances in electrical and electronic equipment, and Directive 2002/96/EC on promoting recycling and other forms of recovery of electrical and electronic waste (Table I). On 8 December the European Parliament and the Council amended the latter directive, in order to revise the rules on financing the collection and treatment of ‘historical’ waste (Table I). With regard to the environmental and human risks identified in 2000 <sup>(8)</sup> relating to the long-term storage of waste from extractive industries (mining and quarrying), the Commission proposed to establish a harmonised framework for the management of extractive waste (Table I). To avoid incineration or landfilling of spent batteries and accumulators, on 24 November the Commission proposed placing obligations on the Member States to collect and recycle batteries and defining minimum rules for operation of the national collection and recycling systems, to ensure smooth operation of the internal market (Table I).

## Sustainable use of resources

**616.** *Natural resources*. As one of the measures to implement the sixth Community environment action programme <sup>(9)</sup>, on 1 October the Commission proposed lines of action <sup>(10)</sup> towards a thematic strategy on the sustainable use of natural resources with the aim of

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<sup>(1)</sup> <http://europa.eu.int/comm/environment/waste/index.htm>.

<sup>(2)</sup> COM(2003) 250; Bull. 5-2003, point 1.4.36.

<sup>(3)</sup> Directives 75/439/EEC and 75/442/EEC (OJ L 194, 25.7.1975; Ninth General Report, point 237); Directive 86/278/EEC (OJ L 181, 4.7.1986; Twentieth General Report, point 567); Directive 91/689/EEC (OJ L 377, 31.12.1991; Twenty-fifth General Report, point 641); Directive 94/62/EC (OJ L 365, 31.12.1994; 1994 General Report, point 508).

<sup>(4)</sup> Bull. 11-2003, point 1.4.52.

<sup>(5)</sup> COM(2003) 301; Bull. 5-2003, point 1.4.37.

<sup>(6)</sup> Bull. 11-2003, point 1.4.54.

<sup>(7)</sup> 1999 General Report, point 454.

<sup>(8)</sup> COM(2000) 664; 2000 General Report, point 542.

<sup>(9)</sup> Decision No 1600/2002/EC (OJ L 242, 10.9.2002; 2002 General Report, point 552).

<sup>(10)</sup> COM(2003) 572; Bull. 10-2003, point 1.4.25.

making more rational use of resources, from both the economic and social point of view, and reducing the environmental impacts.

## International dimension

617. *Green diplomacy.* To follow up the conclusions of the Thessaloniki European Council <sup>(1)</sup> which gave a commitment to integrate the environment into external relations by promoting European diplomacy on the environment and sustainable development, on 12 December the European Council <sup>(2)</sup> welcomed the definition of the scope of the activity and the *modus operandi* of the 'Green diplomacy network'.

618. *G8/environment.* The environment ministers of the eight most industrialised countries and Ms Wallström, Member of the Commission, met in Paris from 25 to 27 April. The discussions focused mainly on the least developed regions and countries, on sustainable production and consumption, strengthening governance and environmental cooperation, as well as the level of maritime security. Particular attention was given to water issues in the context of development policy (→ point 833).

619. *Pan-European cooperation.* As part of the preparations for the Fifth Ministerial Conference 'Environment for Europe', held in Kiev from 21 to 23 May <sup>(3)</sup>, the Commission and the Council laid down, on 6 February <sup>(4)</sup> and 4 March <sup>(5)</sup> respectively, the priorities and objectives for environmental cooperation at pan-European level. On 16 July the European Economic and Social Committee expressed its support <sup>(6)</sup> for the approach defined by the Commission. During the Kiev meeting, at which Ms Wallström headed the Community delegation, three international protocols were adopted: on strategic environmental assessment (→ point 618); on pollutant release and transfer registers (PRTR) (→ point 629); and on transboundary air pollution (→ point 622). A ministerial declaration defining future guidelines for the process was also adopted on this occasion.

620. *Development cooperation.* With regard to their legitimate needs for economic development, industrialisation and sustainable exploitation of energy and natural resources, on 11 March <sup>(7)</sup> the Commission proposed a strategy for developing countries based on support for implementing a balanced policy to combat atmospheric pollution. The Commission also proposed to establish a European Water Fund for the African, Caribbean and Pacific countries (→ point 833). On 25 September the European Parliament gave

(1) Bull. 6-2003, point 1.32.

(2) Bull. 12-2003, point 1.29.

(3) Bull. 5-2003, point 1.4.38; Fourth conference: 2000 General Report, point 576.

(4) COM(2003) 62; Bull. 1/2-2003, point 1.4.38.

(5) Bull. 3-2003, point 1.4.28.

(6) OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.4.15.

(7) COM(2003) 85; Bull. 3-2003, point 1.4.26.

its opinion on the implementation of the commitments made in Johannesburg, in particular on global environmental governance (→ points 811 et seq.).

621. *Espoo Convention* <sup>(1)</sup>. On 21 May the protocol on strategic environmental impact assessment to the UNECE Convention on Environmental Impact Assessment in a Transboundary Context, concluded in 1991 <sup>(2)</sup>, was signed (Table III). This protocol introduces a framework for the evaluation of significant environmental effects which are likely to be caused by the implementation of certain proposed plans and programmes and encourages consideration of the likely significant environmental effects of proposed policies and legislation.

622. *Atmospheric pollution*. On 12 May the Commission proposed the signature of a protocol which ensures compensation for damage caused by the transboundary effects of industrial accidents on transboundary waters coming under the scope of the two 1992 Helsinki Conventions <sup>(3)</sup> (Table III). This instrument aims in particular to ensure greater application of the principle that environmental damage should, as a priority, be rectified at source.

623. Various issues relating to the international dimension of the environment are dealt with in this section under ‘Climate change’ (→ points 591 to 593) and ‘Strategic approaches and instruments’ (→ points 624 et seq.).

## Strategic approaches and instruments

### Taking the environment into account in other policies

624. *General strategy*. On 13 May <sup>(4)</sup> the European Parliament supported the Commission’s approach concerning the environmental agreements at Community level within the framework of the action plan on the ‘Simplification and improvement of the regulatory environment’ <sup>(5)</sup> and specified how these agreements should be handled.

625. *Other Community policies*. On 27 January the Council expressed its opinion on the action plan to integrate environmental protection requirements into the common fisheries policy (→ point 493). On 11 June the Commission expressed its opinion on the development of a European environment and health strategy (→ point 734). Further information on taking the environment into account in other Community policies is given in the sections dealing with those policies, in particular in Sections 1 (‘Economic and monetary policy’) and 7 (‘Enterprise’) (→ point 299) of Chapter IV, in Sections 5 (‘Energy’)

<sup>(1)</sup> <http://www.unece.org/env/eia/welcome.html>.

<sup>(2)</sup> Twenty-fifth General Report, point 627.

<sup>(3)</sup> Twenty-seventh General Report, point 479.

<sup>(4)</sup> Bull. 5-2003, point 1.4.35.

<sup>(5)</sup> COM(2002) 412; 2002 General Report, point 554.

(→ point 645) and 6 ('Transport') (→ point 687) of this chapter and also in Section 4 ('Development cooperation') of Chapter VI (→ points 831 et seq.).

### Governance, communication and civil society

626. *Environmental liability.* The legislative process concerning the proposal for a directive defining an environmental liability scheme continued throughout the year (Table I). In a report of 23 June <sup>(1)</sup> the Commission noted gaps in the Member States' application of European regulations on the effects of certain public and private projects on the environment ('EIA') <sup>(2)</sup>.

627. *European Environment Agency* <sup>(3)</sup>. On 22 December the Commission adopted a report <sup>(4)</sup> reviewing the contribution which the Agency has made to Community environment policy since 1994 and making recommendations to ensure efficient action in an enlarged Union.

628. *Environmental crime.* Issues relating to environmental crime are dealt with in Section 1 ('Area of freedom, security and justice') of Chapter V (→ points 534 et seq.).

629. *Implementation of the Aarhus Convention* <sup>(5)</sup>. In the framework of the Aarhus Convention, on 19 May the Council decided to sign a protocol on pollutant release and transfer registers (PRTRs) aimed at establishing a system for gathering and disseminating environmental data concerning releases and transfers of dangerous chemical products (Table III). To promote transparency and public participation in environmental decision-making processes, the European Parliament and the Council adopted two directives: on 28 January, Directive 2003/4/EC on public access to environmental information which also amends Directives 85/337/EEC and 96/67/EC (Table I) and, on 26 May, Directive 2003/35/EC providing for public participation in respect of the drawing up of certain plans and programmes relating to the environment (Table I). To bring the Community legislation into line with the requirements of the Aarhus Convention, on 24 October the Commission proposed a package of three pieces of legislation concerning the right to initiate administrative or legal proceedings with a view to application of environmental law (Table I), application of the three pillars in the Convention to European Community institutions and bodies (Table I) and, finally, conclusion of the abovementioned Convention, which was signed on 25 June 1998 (Table III).

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<sup>(1)</sup> COM(2003) 334; Bull. 6-2003, point 1.4.61.

<sup>(2)</sup> Directive 85/337/EEC (OJ L 175, 5.7.1985; Nineteenth General Report, point 514), as amended by Directive 97/11/EC (OJ L 73, 14.3.1997; 1997 General Report, point 562).

<sup>(3)</sup> <http://www.eea.eu.int>

<sup>(4)</sup> COM(2003) 800; Bull. 12-2003, point 1.4.40.

<sup>(5)</sup> 1998 General Report, point 518; Internet (<http://europa.eu.int/comm/environment/aarhus/index.htm>).

## Environmental instruments

630. *LIFE (financial instrument for the environment)* <sup>(1)</sup>. Following a judgment of the Court of Justice of the European Communities <sup>(2)</sup>, on 8 July the Commission proposed certain technical adaptations to the LIFE management committee (Table I). On 5 November <sup>(3)</sup> it also published a review of the operation and results of the LIFE III programme. On the basis of this mid-term review, the Commission proposed extending the LIFE programme for two years and making a number of changes to the technical and financial procedures for implementing it (Table I).

## Sustainable development <sup>(4)</sup>

### Sustainable development strategy

631. *Follow-up to the Lisbon strategy* <sup>(5)</sup>. In preparation for the spring European Council (→ point 1094), on 14 January <sup>(6)</sup> the Commission reported on the environmental dimension of sustainable development. On 12 February <sup>(7)</sup> the European Parliament emphasised the importance of an integrated approach when implementing different measures under the European Union policy on climate change. Then on 27 February <sup>(8)</sup> the European Economic and Social Committee, in an own-initiative opinion on the Lisbon strategy and sustainable development and in a resolution for the spring European Council, called for the periodic production of a scoreboard of progress achieved. On 3 December <sup>(9)</sup> the Commission submitted a review of European Union environment policy, reporting on trends in this area since 2001, and identified the priority issues, at Community and national levels, with a view to consolidating the environmental pillar of sustainable development. The Council adopted conclusions on this review on 22 December <sup>(10)</sup>.

632. *Follow-up to the World Summit on Sustainable Development (WSSD)*. On 25 September the European Parliament gave its opinion on the implementation of the commitments given in Johannesburg (→ points 811 et seq.). On 23 December the Commission reported on the progress made with fulfilling the commitments entered into at the summit, indicating what action had been undertaken by the EU both within the Union and with regard to the outside world. Within the EU, coherence, protection of natural resources, development of sustainable production and consumption models and enlargement were priorities.

<sup>(1)</sup> Regulation (EC) No 1655/2000 (OJ L 192, 28.7.2000; 2000 General Report, point 558); <http://europa.eu.int/comm/environment/life/home.htm>.

<sup>(2)</sup> Case C-378/00 *Commission v European Parliament and Council* (2003) ECR I-937; Bull. 3-2003, point 1.8.23.

<sup>(3)</sup> COM(2003) 668; Bull. 11-2003, point 1.4.68.

<sup>(4)</sup> [http://europa.eu.int/comm/sustainable/index\\_en.htm](http://europa.eu.int/comm/sustainable/index_en.htm).

<sup>(5)</sup> 2000 General Report, point 1145.

<sup>(6)</sup> COM(2003) 5; Bull. 1/2-2003, point 1.1.3.

<sup>(7)</sup> Bull. 1/2-2003, point 1.1.5.

<sup>(8)</sup> OJ C 95, 23.4.2003; Bull. 1/2-2003, point 1.1.6.

<sup>(9)</sup> COM(2003) 745; Bull. 12-2003, point 1.4.42.

<sup>(10)</sup> OJ C 8, 13.1.2004; Bull. 12-2003, point 1.4.43.

Outside the EU, the eradication of poverty, innovative initiatives concerning water, electricity and forests and measures to promote greater integration of sustainable development in commercial policy and better international governance represented the bulk of European efforts (→ points 832 and 833).

**633.** *Environmental technology.* In line with the conclusions of the Barcelona <sup>(1)</sup> and Brussels <sup>(2)</sup> European Councils, the Commission continued its work, begun in 2002, on developing an action plan on environmental technology <sup>(3)</sup>. Based on the principle that environmental technology is an essential vector for achieving the objectives of the Lisbon strategy, on 25 March <sup>(4)</sup> the Commission launched consultations with stakeholders and decided to focus, in developing the action plan, on climate change, sustainable production and consumption, and protection of water and soil. The European Economic and Social Committee expressed support for this approach on 29 October <sup>(5)</sup>.

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<sup>(1)</sup> Bull. 3-2002, point I.59.

<sup>(2)</sup> Bull. 3-2003, point I.41.

<sup>(3)</sup> COM(2002) 122; 2002 General Report, point 560.

<sup>(4)</sup> COM(2003) 131; Bull. 3-2003, point 1.4.17.

<sup>(5)</sup> Bull. 10-2003, point 1.4.28.

*Section 5***Energy** <sup>(1)</sup>**Overview**

634. *Work continued on piecing together a long-term strategy to achieve the energy policy objectives outlined in the 2000 Green Paper on the security of energy supply in the European Union: competitiveness, security of supply and protection of the environment. Action was taken on every front: establishment and effective operation of the internal energy market and of the related infrastructure, clear action to promote a policy focused on demand, greater energy efficiency, encouragement of renewable energy sources because of the benefits which they bring for the environment and security of supply, proposals for a Community approach to nuclear safety and management of nuclear waste and a new strategic approach to cooperation with neighbouring countries and partners.*

**General strategy**

635. *'Intelligent energy for Europe' programme* <sup>(2)</sup>. By Decision No 1230/2003/EC (Table I) on 26 June the European Parliament and the Council adopted a multiannual programme for the period 2003–06. This 'intelligent energy' programme aims at strengthening security of supply by means of an energy demand policy, bringing about a change in consumer behaviour, and making combating global warming the priority for energy supply policy. The programme supports projects in the fields of renewable energy sources and energy efficiency, including in the transport sector, plus schemes to promote both these areas in developing countries. The total budget for the programme is EUR 200 million while the Union has 15 Member States and will rise to around EUR 250 million when there are 25 members. The programme is open to the current and future Union Member States, to the candidate countries and to the countries in the European Economic Area. The Thessaloniki European Council on 19 and 20 June welcomed the agreement reached between the European Parliament and the Council which paved the way for this decision <sup>(3)</sup>. Pursuant to Regulation (EC) No 58/2003 on the statute of executive agencies <sup>(4)</sup>, the Intelligent Executive Energy Agency was established on 23 December <sup>(5)</sup>.

636. *Implications of the war in Iraq*. In a communication of 26 March on the consequences of the war in Iraq for energy and transport <sup>(6)</sup>, the Commission expressed partic-

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/energy/index\\_en.html](http://europa.eu.int/comm/energy/index_en.html)).

<sup>(2)</sup> [http://europa.eu.int/comm/energy/intelligent/index\\_en.html](http://europa.eu.int/comm/energy/intelligent/index_en.html).

<sup>(3)</sup> Bull. 6-2003, point I.21.

<sup>(4)</sup> OJ L 11, 16.1.2003; 2002 General Report, point 1051.

<sup>(5)</sup> Decision 2004/20/EC (OJ L 5, 9.1.2004; Bull. 12-2003, point 1.4.65).

<sup>(6)</sup> COM(2003) 164; Bull. 3-2003, point 1.4.33.

ular concern about the risk of oil price fluctuations, stock management, use of national fiscal measures and security of energy infrastructure; it also proposed measures on nuclear safety.

**637.** *Implications of enlargement.* On 13 May <sup>(1)</sup> the Commission adopted a communication on the development of energy policy for the enlarged European Union, its neighbours and partner countries. It set three objectives in this context: to enhance security of energy supplies for the entire continent; to strengthen the internal energy market in the enlarged Union; and to facilitate major new energy infrastructure projects. The Commission particularly highlighted (→ point 1012) the dialogue with Russia, especially on interconnection of the electricity grids, oil and gas, nuclear energy and clean coal technologies, and the importance of the Euro-Mediterranean Energy Forum, the northern dimension and the Caspian Basin. The Council in turn referred to these relations in its conclusions of 14 May <sup>(2)</sup> and 15 December <sup>(3)</sup>.

**638.** *European Energy and Transport Forum.* After starting operations in 2002 <sup>(4)</sup>, the forum held three plenary meetings in 2003 and issued a series of opinions at the request of the Commission, *inter alia* on the development of the trans-European transport network and revision of the guidelines on the subject (→ point 428) and on the Green Paper on services of general interest (→ point 201). The forum also set up four working groups on research and technological development, services of general interest, infrastructure and the environment, and sustainable development policies.

**639.** *Energy charter.* The Commission continued to participate actively in the energy charter process <sup>(5)</sup> in various working parties and initiatives. It provided contributions and guidance for the work of the charter conference, the groups on trade and investment and other ad hoc meetings on gas and electricity, and also for the group on energy efficiency and related environmental aspects. One central theme of these inputs was to use the charter process to complement the direct action taken by the Community with neighbouring regions and countries. The Commission also continued to represent the Community in the further negotiations on a transit protocol.

## Security of supply

**640.** On 10 December <sup>(6)</sup> the Commission submitted a communication on energy infrastructure and security of supply, in response to the concern created by a series of power cuts. After assessing current trends in the energy sector in the European Union, the

<sup>(1)</sup> COM(2003) 262; Bull. 5-2003, point 1.4.48.

<sup>(2)</sup> Bull. 5-2003, point 1.4.49.

<sup>(3)</sup> Bull. 12-2003, point 1.4.64.

<sup>(4)</sup> 2002 General Report, point 600.

<sup>(5)</sup> 1997 General Report, point 438.

<sup>(6)</sup> COM(2003) 743; Bull. 12-2003, point 1.4.68.

Commission stressed the need to reinforce interconnections between Member States and the internal rules of procedure for network managers, and for a clear regulatory framework, based on demand management. On the same day it also adopted a proposal for a directive concerning measures to safeguard security of electricity supply and infrastructure investment (Table I).

## Internal energy market

### Natural gas and electricity

641. *Complete opening-up of the market.* In response to the calls by the Barcelona European Council <sup>(1)</sup>, echoed by the Brussels European Council on 20 and 21 March <sup>(2)</sup>, on 26 June the European Parliament and the Council adopted rules for creating a genuine internal energy market for the benefit of European consumers. To this end, Directives 2003/54/EC and 2003/55/EC amended Directives 96/92/EC and 98/30/EC on common rules for the internal market in electricity and natural gas respectively (Table I). In this context, the new directives are designed progressively to open up completely the markets concerned, combined with a high standard of public service and a universal service obligation in the electricity sector. They also remove the possibility of negotiated access to the gas and electricity networks and place an obligation on the Member States to keep the operators of the distribution and transmission grids legally separate from other activities in the sector. Also all Member States will have to put in place a regulatory authority with a minimum set of powers. As part of the same package of legislation, the European Parliament and the Council adopted, likewise on 26 June, Regulation (EC) No 1228/2003 on conditions for access to the network for cross-border exchanges in electricity (Table I). The objective of this new regulation is to lay down fair rules for such exchanges in order to improve competition on the internal market in electricity, taking account of the specifics of the national and regional markets. To this end, it also provides for a compensation mechanism for cross-border flows of electricity and for harmonised principles on charges for cross-border transmission and for allocation of the available capacity for interconnection of the national transmission grids. The Thessaloniki European Council welcomed the final adoption of this package of legislation <sup>(3)</sup>.

On 10 December the Commission adopted a proposal for a regulation on conditions for access to the gas transmission networks (Table I). It establishes a number of principles covering charges for access to networks, third-party access to networks, capacity allocation mechanisms, congestion management procedures, transparency requirements, and balancing and imbalance charges. It also lays down guidelines governing the measures to implement these principles.

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<sup>(1)</sup> Bull. 3-2002, point I.32; 2002 General Report, point 609.

<sup>(2)</sup> Bull. 3-2003, point I.14.

<sup>(3)</sup> Bull. 6-2003, point I.21.

## Infrastructure and cohesion

642. Work continued throughout the year on the proposals submitted by the Commission in 2002 for legislation on security of supply, in the form of oil and gas stocks in the European Union (Table I) (Table II).

## Trans-European energy networks

643. Information on the trans-European energy networks is provided in Section 12 ('Trans-European networks') of Chapter IV (→ point 433).

## New and renewable energy sources <sup>(1)</sup>

644. *Biofuels*. On 8 May the European Parliament and the Council adopted Directive 2003/30/EC on the promotion of the use of biofuels and other renewable fuels to replace diesel fuel or petrol for transport (Table I). This measure is intended to help to attain objectives such as meeting the commitments given on climate change, environmentally sustainable security of supply, and promotion of renewable energy sources.

## Energy efficiency and rational use of energy

645. On 1 August the Commission adopted a proposal for a directive establishing a framework for setting eco-design requirements for energy-using products (→ point 291). On 10 December it proposed adoption of a directive to remove market barriers and imperfections for the efficient end-use of energy and to encourage a viable market for energy efficiency (Table I). Work on the proposal submitted by the Commission for a directive to promote co-generation continued throughout the year, with a definitive agreement between the European Parliament and the Council in sight (Table I).

## Promotion of research and technological development

646. Information on research and technological development in the energy field is provided in Section 8 ('Research and technology') of Chapter IV (→ point 349).

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<sup>(1)</sup> [http://europa.eu.int/comm/energy/res/index\\_en.htm](http://europa.eu.int/comm/energy/res/index_en.htm).

## Individual sectors

647. *Coal imports.* On 27 February the Council adopted a regulation concerning Community surveillance of imports of hard coal originating in third countries <sup>(1)</sup>, which puts in place a system for the provision of information by the Member States.

648. *Nuclear energy.* On 17 November the Council gave the Commission a mandate to negotiate a draft cooperation agreement with Russia on trade in nuclear materials <sup>(2)</sup>. On 27 November it authorised the Member States to sign, in the interest of the European Community, the protocol amending the Paris Convention of 29 July 1960 on Third Party Liability in the Field of Nuclear Energy (Table II).

## Euratom Supply Agency <sup>(3)</sup>

649. *Uranium.* Supplies of natural uranium and services throughout the fuel cycle continued to satisfy demand. The rise in natural uranium prices that began in 2001 continued and even accelerated notably in 2003 due to short-term disruptions of supply and decreasing worldwide operational inventories. The Agency continued to recommend that Community users of nuclear materials cover their needs by multiannual contracts with different suppliers and by establishing appropriate strategic stocks <sup>(4)</sup>. Following the anti-dumping and anti-subsidy procedures initiated by the United States, imports of enriched uranium into the USA originating from the European companies Eurodif and Urenco remained subject to anti-dumping and or/countervailing duties, with the appeal process still under way.

650. *Enlargement.* The Agency organised two seminars with representatives of governments and industry from the acceding and candidate countries in order to smooth the way for implementation of Chapter 6 of the Euratom Treaty after enlargement.

651. *The Agency's advisory committee.* In order to implement the recommendations made in 2002 concerning the future role of the Agency <sup>(5)</sup>, the Agency and the committee set up a task force made up of two working groups, one to analyse potential risks to security of supply, the other to examine methods of calculating yearly average uranium prices. The committee endorsed the method of calculation proposed by the Agency as well as the progress made towards a method of calculating enrichment prices. The committee mandated the Agency to continue its efforts, along with the task force, to draft a sound and comprehensive security of supply policy. The Agency's annual report for 2002 was published in May <sup>(6)</sup>.

<sup>(1)</sup> Regulation (EC) No 405/2003 (OJ L 62, 6.3.2003; Bull. 1/2-2003, point 1.4.61).

<sup>(2)</sup> Bull. 11-2003, point 1.4.69.

<sup>(3)</sup> [http://europa.eu.int/comm/euratom/index\\_en.html](http://europa.eu.int/comm/euratom/index_en.html).

<sup>(4)</sup> 2002 General Report, point 621.

<sup>(5)</sup> 2002 General Report, point 622.

<sup>(6)</sup> Available from the Agency and on the Internet (<http://europa.eu.int/comm/euratom/arintro.htm>).

## Euratom safeguards

652. The Commission continued to prepare new approaches for safeguard controls at installations in the European Union, based on the recommendations made in the report by a high-level expert group <sup>(1)</sup>. On 10 December <sup>(2)</sup> the Commission adopted its report on the operation of Euratom safeguards in 2002.

## Nuclear safety <sup>(3)</sup>

653. *Legislative measures.* To give firmer shape to the ideas outlined in its communication of 6 November 2002 <sup>(4)</sup>, on 30 January the Commission submitted two proposals for Council directives designed to establish a new Community reference framework for nuclear safety standards, in view of the persisting differences between the Member States in this field and the risk that they could widen with the enlargement of the European Union. The first proposal sets out basic obligations and general principles on the safety of nuclear installations (Table II), while the second focuses on the management of spent nuclear fuel and radioactive waste (Table II). *Inter alia*, these two proposals provide for a system of independent verification based mainly on the technical expertise of the national safety authorities. They also define criteria for the establishment and management of funds for the decommissioning of nuclear installations.

654. *Nuclear Safety Convention.* On 15 December <sup>(5)</sup> the Council amended the declaration attached to its decision of 7 December 1998 approving the accession of the European Atomic Energy Community to the Vienna Nuclear Safety Convention of 17 June 1994. This new decision, which follows up a ruling by the Court of Justice on 10 December 2002 annulling parts of the declaration <sup>(6)</sup>, sets out to add a reference to provisions of the Convention, taking account of the extent of the Community's powers identified by the Court.

## Radiation protection <sup>(7)</sup>

655. *Health protection.* Under the Euratom Treaty, the Commission continued to verify the application of the basic safety standards for protection of the health of the public and workers. Pursuant to Article 33 of the same Treaty, it examined four draft national measures and issued recommendations on two of them. In accordance with Article 37 of the Treaty, it also delivered 11 opinions on plans for the disposal of radioactive waste. As part

<sup>(1)</sup> 2002 General Report, point 625.

<sup>(2)</sup> COM(2003) 764; Bull. 12-2003, point 1.4.73.

<sup>(3)</sup> [http://europa.eu.int/comm/energy/nuclear/safety/index\\_en.htm](http://europa.eu.int/comm/energy/nuclear/safety/index_en.htm).

<sup>(4)</sup> COM(2002) 605; 2002 General Report, point 627.

<sup>(5)</sup> Bull. 12-2003, point 1.4.74.

<sup>(6)</sup> Case C-29/99, *Commission v Council* (2002) ECR, p. I-11221; Bull. 1/2-2003, point 1.9.8.

<sup>(7)</sup> [http://europa.eu.int/comm/energy/nuclear/radioprotection/index\\_en.htm](http://europa.eu.int/comm/energy/nuclear/radioprotection/index_en.htm).

of the inspection programme under Article 35 of the Treaty, a visit was carried out to verify the facilities for monitoring the level of radioactivity in the environment on and around the site of the nuclear power station at Belleville-sur-Loire (France).

656. *Legislative and other measures.* Based on Article 31 of the Euratom Treaty, to complement the basic standards on 24 January the Commission put to the Council a proposal for a directive on the control of high activity sealed radioactive sources (Table II). The purpose of the proposal is to prevent exposure of the population to ionising radiation due to lack of control of radioactive sources, in particular when sources are no longer being used, and to make sure that no ‘orphan sources’ arise.

In addition, on 14 April <sup>(1)</sup> the Commission adopted Recommendation 2003/274/EC on the protection and information of the public with regard to exposure resulting from the continued radioactive caesium contamination of certain wild food products as a consequence of the accident at the Chernobyl nuclear power station. On 18 December it adopted Recommendation 2004/2/Euratom on standardised information on radioactive airborne and liquid discharges into the environment from nuclear power reactors and reprocessing plants in normal operation <sup>(2)</sup>.

## State aid to the coal industry

657. State aid to the coal industry is dealt with in the report to be published on competition policy (→ point 234).

## Energy and environment

658. Information on the relationship between energy and the environment is provided in other points in Section 5 (→ point 644).

## International cooperation

659. *Cooperation with the Mediterranean countries.* As part of the Barcelona process <sup>(3)</sup>, in 2003 priority was given to establishing a Euro-Mediterranean energy policy and the instruments needed to implement it. Accordingly, at the ministerial conference held in Athens on 21 May the partners participating in the process defined measures of common interest covering interconnection of energy infrastructure, better management of demand and of the development of renewable energy sources and the reforms necessary in the Mediterranean countries for progressive integration of the Euro-Mediterranean energy

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<sup>(1)</sup> OJ L 99, 17.4.2003.

<sup>(2)</sup> OJ L 2, 6.1.2004.

<sup>(3)</sup> 1995 General Report, point 839.

markets. As regards instruments, the Commission put in place, with the support of the ministerial conference held in Rome on 1 and 2 December, subregional cooperation schemes to put into action projects of common interest plus a coordination centre for such schemes in Rome <sup>(1)</sup>.

**660.** *Cooperation with the countries of eastern Europe, the Caucasus and central Asia.* On 19 May the Council adopted Decision 2003/462/EC on the signing of a framework agreement on a multilateral nuclear environmental programme in the Russian Federation and its protocol on legal aspects in the framework of that programme (Table III). The purpose of the programme — which brings together, as well as Russia and the European Communities, Belgium, Germany, the Netherlands, Finland, Sweden, the United Kingdom, the United States and Norway — is to establish a coherent framework for implementing projects in the Russian Federation. On 22 September, the Council approved the conclusion of an agreement for cooperation in the peaceful uses of nuclear energy between Euratom and Uzbekistan (Table III).

**661.** *Cooperation with the United States (and other industrialised countries).* Following the annulment by the Court of Justice, on 12 December 2002 <sup>(2)</sup>, of the Council decision of 14 May 2001 <sup>(3)</sup> concerning the conclusion of an agreement with the United States on the coordination of energy-efficiency labelling programmes for office equipment, due to an error concerning the legal basis, the Council adopted a new decision to the same end on 8 April (Table III).

**662.** *Cooperation with Asia.* At its meeting on 11 and 12 June the Council authorised the Commission to negotiate a draft cooperation agreement between Euratom and China on peaceful uses of nuclear energy (Table III).

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<sup>(1)</sup> Bull. 12-2003, point 1.4.63.

<sup>(2)</sup> Case C-281/01, *Commission v Council* (2002) ECR, p. I-12049; Bull. 1/2-2003, point 1.9.20.

<sup>(3)</sup> Council Decision 2001/469/EC (OJ L 172, 26.6.2001; 2001 General Report, point 670).

## Section 6

# Transport <sup>(1)</sup>

## Overview

663. *There were several major developments in 2003, particularly in the aviation sector where the Commission secured a mandate to negotiate an ‘open aviation area’ with the USA. The adoption of the substance of the ‘single sky’ legislative package will enhance aviation safety, and at the same time address the structural problems of air traffic control. From the point of view of the travelling public, a number of important measures were taken to improve aircraft safety, to gain a better understanding of the factors involved in aviation accidents as a basis for prevention, and to guarantee passengers’ rights through an improved compensation system for denied boarding and cancelled or delayed flights. In the sea transport sector, the decisions taken to phase out single-hull oil tankers sooner, to ban the carriage of heavy fuel oil in single-hull vessels and to ensure a high standard of training for seafarers underscored the European Union’s determination to tighten up maritime safety and maritime security. With regard to inland transport, major legislative initiatives included the European road safety action programme designed to halve the number of people killed on the roads by 2010, driver training, the driving and rest periods of professional drivers, the harmonisation of driving licences and tunnel safety, with the aim of improving road safety and road user safety in general. In the field of trans-European transport networks (→ point 431), the list of priority infrastructure projects was completed, while a proposal for a ‘Eurovignette’ directive will enable Member States to provide attractive economic incentives for transport operations by means of a price structure that better reflects the costs imposed on users. Another important development in 2003 was the setting up of the European Aviation Safety Agency and the European Maritime Safety Agency. The Galileo joint undertaking has been in operation since September and is gradually being opened up to non-EU countries.*

## General strategy

664. *Future of transport policy.* In a resolution of 12 February <sup>(2)</sup> on the Commission’s 2001 White Paper entitled ‘European transport policy for 2010: time to decide’ <sup>(3)</sup>, the European Parliament called primarily for the establishment of a European Transport Fund covering all modes of transport and of a European Road Safety Agency. The resolution also addressed: the impact of enlargement, the need to shift freight from the roads to other transport modes, the utility of liberalising the rail transport markets, the modernisation and upgrading of inland waterways, the revision of the international rules governing maritime

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/transport/index\\_en.html](http://europa.eu.int/comm/transport/index_en.html)).

<sup>(2)</sup> Bull. 1/2-2003, point 1.4.62.

<sup>(3)</sup> COM(2001) 370; 2001 General Report, point 683; Internet ([http://europa.eu.int/comm/energy\\_transport/en/lb\\_en.html](http://europa.eu.int/comm/energy_transport/en/lb_en.html)).

transport liability, the opportuneness of speedy Community accession to Eurocontrol, and the importance of infrastructure charging and of internalising the external costs of all transport modes. Parliament also considers it a priority to integrate environment and sustainable development policy in European transport policy.

665. *Implications of the war in Iraq.* In its communication of 26 March on the consequences of the war in Iraq for energy and transport (→ point 636), the Commission analysed the impact on civil aviation of, for example, the closure of air space in the region of the conflict and traffic congestion over Europe on account of the priority given to military operations; it nevertheless noted that the war must not be used as a pretext to delay restructuring in the air transport sector or to adopt measures which would have the effect of creating serious distortions between Member States and/or between airlines. With regard to maritime transport, the Commission stressed the need to prepare for threats to world trade and security. It also stressed the need for an independent EU satellite radio-navigation capability (Galileo) (→ point 667) in times of war.

666. *European Energy and Transport Forum.* The forum's activities are described in Section 5 ('Energy') of this chapter (→ point 638).

## **Galileo satellite radionavigation programme <sup>(1)</sup>**

667. *Implementation.* The Brussels European Council of 20 and 21 March <sup>(2)</sup> called for the full and speedy implementation of the conclusions it had formulated a year earlier in Barcelona <sup>(3)</sup> in the interests of getting the joint undertaking established and moving the Galileo programme forward. In a communication of 19 March <sup>(4)</sup>, the Commission recommended integrating the EGNOS programme (European geostationary navigation overlay system) <sup>(5)</sup> in Galileo in order to facilitate both the technical aspects of Galileo's entry into service and the certification and approval procedures. The Council endorsed and clarified this approach in its conclusions of 5 June <sup>(6)</sup>, and also expressed the desire to see EGNOS extended to other parts of the world in order to share its operation with these regions and to promote European technology. On 31 July, the Commission proposed the establishment of a supervisory authority and of a centre for security and safety for Galileo (Table II). The joint undertaking became operational on 1 September and launched a call for tenders to select the concession holder for the Galileo system <sup>(7)</sup>. On 30 October, an agreement on China's participation in the Galileo programme was signed at the EU–China summit in Beijing.

<sup>(1)</sup> [http://europa.eu.int/comm/dgs/energy\\_transport/galileo/index\\_en.htm](http://europa.eu.int/comm/dgs/energy_transport/galileo/index_en.htm).

<sup>(2)</sup> Bull. 3-2003, point I.15.

<sup>(3)</sup> Bull. 3-2002, point I.33; 2002 General Report, point 632.

<sup>(4)</sup> COM(2003) 123; Bull. 3-2003, point 1.4.40.

<sup>(5)</sup> [http://www.esa.int/export/esaSA/GGG63950NDC\\_navigation\\_0.html](http://www.esa.int/export/esaSA/GGG63950NDC_navigation_0.html).

<sup>(6)</sup> Bull. 6-2003, point 1.4.68.

<sup>(7)</sup> OJ S 200, 17.10.2003.

## Trans-European transport networks

668. The trans-European transport networks are dealt with in Section 12 ('Trans-European networks') of Chapter IV (→ point 431).

## Promotion of research and technological development

669. Research and technological development in the transport sector is dealt with in Section 8 ('Research and technological development') of Chapter IV (→ point 350).

## Infrastructure

670. *Charging.* The Commission's aim in submitting a proposal on 23 July to amend Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructure is to reduce distortions of competition between Member States and to provide economic incentives for transport operations, with the aid of a price structure that better reflects the costs to society as a whole (Table I). The Commission's plans were endorsed by the European Council at its meeting in Brussels in March <sup>(1)</sup> and in Thessaloniki in June <sup>(2)</sup>.

## Inland transport

### Rail transport <sup>(3)</sup>

671. *Railway package.* The legislative process with regard to the proposals for a directive on rail safety, a regulation creating the European Railway Safety Agency, a directive on further opening up the national and international freight market and an amendment to the railway interoperability directives continued in 2003 (Table I). As part of this 'package', the Commission also negotiated an agreement on Community accession to the Convention concerning international carriage by rail (COTIF) and proposed its conclusion to the Council on 17 November (Table III).

672. *Transit.* On 14 April, the Council adopted two regulations on arrangements to facilitate transit between the enclave of Kaliningrad and Russia, in particular by rail, in the enlarged European Union (→ point 503).

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<sup>(1)</sup> Bull. 3-2003, point I.36.

<sup>(2)</sup> Bull. 6-2003, point I.21.

<sup>(3)</sup> [http://europa.eu.int/comm/transport/rail/index\\_en.html](http://europa.eu.int/comm/transport/rail/index_en.html).

## Road transport <sup>(1)</sup>

**673. Road safety** <sup>(2)</sup>. On 2 June <sup>(3)</sup>, the Commission presented a European road safety action programme <sup>(4)</sup> with a view to halving the number of people killed on the roads by 2010. It proposes a variety of measures, such as better compliance with the existing legislation, stricter enforcement, harmonised penalties at European level, the promotion of continuous training for drivers, and improvements in vehicle design and road infrastructure. It calls on the stakeholders to sign a European road safety charter annexed to the programme and announces a number of initiatives to back up this approach: a proposal for a framework directive on road infrastructure safety, and the establishment of a European Road Safety Observatory. In its conclusions of 5 June <sup>(5)</sup>, the Council welcomed this initiative and invited the Commission and the Member States to continue their efforts to achieve the objectives set in the action programme. In its conclusions of 5 December <sup>(6)</sup>, it also stressed its intention to make road safety a priority and reiterated the need for a global policy in this area. The action programme proposed by the Commission was also welcomed by the European Economic and Social Committee on 10 December <sup>(7)</sup>. In a resolution of 3 July <sup>(8)</sup>, the European Parliament expressed concern about the safety of coaches and called for legislation on the subject. The transport ministers of the current and future EU Member States, the countries of the European Economic Area and of the European Free Trade Association adopted a declaration on road safety at their meeting in Verona on 24 October committing the signatories to implement immediately the measures required to achieve a 50 % cut in the number of road-accident deaths, including the pooling of accident data, better application of the safety rules by means of more rigorous roadside checks and gradual convergence of driving regulations in Europe.

The legislative work on the proposal for a directive concerning minimum safety requirements for tunnels in the trans-European road network, presented by the Commission at the end of 2002, continued throughout the year (Table I).

**674. Driver training**. On 15 July, the European Parliament and the Council adopted Directive 2003/59/EC making training obligatory for drivers of certain road vehicles for the carriage of goods or passengers (Table I), in order to improve road safety and to promote the free movement of workers.

**675. Driving licence**. On 21 October, the Commission adopted a proposal for a directive on driving licences (Table I). This proposal, involving codification of the driving licences directive <sup>(9)</sup>, has three main objectives: to reduce the scope for fraud by gradually replac-

<sup>(1)</sup> [http://europa.eu.int/comm/transport/road/index\\_en.htm](http://europa.eu.int/comm/transport/road/index_en.htm).

<sup>(2)</sup> [http://europa.eu.int/comm/transport/road/roadsafety/index\\_en.htm](http://europa.eu.int/comm/transport/road/roadsafety/index_en.htm).

<sup>(3)</sup> COM(2003) 311; Bull. 6-2003, point 1.4.70.

<sup>(4)</sup> [http://europa.eu.int/comm/transport/road/roadsafety/rsap/index\\_en.htm](http://europa.eu.int/comm/transport/road/roadsafety/rsap/index_en.htm).

<sup>(5)</sup> Bull. 6-2003, point 1.4.71.

<sup>(6)</sup> Bull. 12-2003, point 1.4.75.

<sup>(7)</sup> Bull. 12-2003, point 1.4.76.

<sup>(8)</sup> Bull. 7/8-2003, point 1.4.37.

<sup>(9)</sup> Directive 91/439/EEC (OJ L 237, 24.8.1991; Twenty-fifth General Report, point 221).

ing the paper-based driving licence by a plastic model, to guarantee the free movement of persons and to improve road safety by introducing a moped driving licence, and qualification and training requirements for examiners.

**676. *Working, driving and rest periods of professional drivers.*** On 21 October, the Commission adopted a proposal for a directive on the minimum conditions for the implementation of Directive 2002/15/EC and Council Regulation (EEC) Nos 3820/85 and 3821/85 concerning social legislation relating to road transport activities (Table I). This proposal is intended to replace Directive 88/599/EEC <sup>(1)</sup> on standard checking procedures for the implementation of the legislation on the maximum driving times, minimum breaks and rest periods of professional drivers and on the recording equipment used to ensure that the rules are complied with. The aim is to increase the number of checks and improve their quality, to ensure fair conditions of competition, to improve road safety and to safeguard drivers' working conditions.

**677. *Ecopoints.*** On 14 April, the Council decided to conclude the agreement signed on 5 March between the Community and the Former Yugoslav Republic of Macedonia concerning the system of ecopoints to be applied to transit traffic from that country through Austria (Table III). On 7 October, it took a corresponding decision regarding the agreement signed with Croatia (Table III). The two agreements entered into force on 8 May and 14 November respectively.

On 22 December, the European Parliament and the Council adopted Regulation (EC) No 2327/2003 establishing a transitional ecopoint system applicable to heavy goods vehicles travelling through Austria for the year 2004 as part of its sustainable transport policy (Table I). This extends the ecopoint system until such time as a new directive on road charging is adopted, but until 31 December 2006 at the latest. The regulation contains the following main provisions: transit ban for the most polluting lorries, exemption of the cleanest vehicles from the ecopoint requirement, an appropriate number of ecopoints for vehicles subject to the ecopoint requirement, removal of the 108 % clause and maintenance of the existing arrangements for implementation of the ecopoint system. On 22 December, the Commission adopted a recommendation for a negotiating mandate and proposals for Council decisions on the negotiation, signing, provisional applicability and conclusion of an agreement on ecopoints from 1 January 2004 between the European Union and Slovenia, Croatia, Switzerland and the Former Yugoslav Republic of Macedonia (Table III).

**678. *Rental vehicles.*** On 24 September, the Commission proposed consolidating Directive 84/647/EEC on the use of vehicles hired without drivers for the carriage of goods by road, which has been amended on several occasions (Table I).

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(1) OJ L 325, 29.11.1988.

679. Vehicle characteristics and equipment are dealt with in Section 7 ('Enterprise') of Chapter IV (→ point 322).

### Inland waterway transport

680. On 3 March <sup>(1)</sup>, the Commission concluded an agreement with the Central Commission for Navigation on the Rhine (CCNR) to improve mutual cooperation, with the aim of further harmonising the two sets of rules and of promoting a unified inland navigation market. It also requested a mandate from the Council to negotiate EU accession to the CCNR and to the Danube Commission in view particularly of EU enlargement.

681. As provided for by Council Regulation (EC) No 718/1999 on a Community-fleet capacity policy to promote inland waterway transport <sup>(2)</sup>, the Commission decided, on 5 March <sup>(3)</sup>, to terminate the 'old-for-new' arrangement and reduce the ratio (between old and new tonnage) to zero.

682. In an opinion of 24 September <sup>(4)</sup>, the European Economic and Social Committee advocated harmonising and unifying the inland navigation regulations in order to pave the way for a pan-European inland navigation system.

### Maritime transport <sup>(5)</sup>

683. *Maritime safety* <sup>(6)</sup>. In 2003, developments in the field of maritime safety continued to be driven mainly by the repercussions of the sinking of the oil tankers *Erika* <sup>(7)</sup> and *Prestige* <sup>(8)</sup>. These developments were discussed by the Brussels European Council of 20 and 21 March <sup>(9)</sup> on the basis of a Commission communication of 5 March specifically devoted to the consequences of the *Prestige* disaster <sup>(10)</sup>. This communication sets out the action already taken by the Community to prevent and deal with calamities of this kind and lists the measures still to be taken. The Thessaloniki European Council of 19 and 20 June <sup>(11)</sup> welcomed the progress made in restricting the carriage of heavy petroleum products in single-hull oil tankers and in speeding up the timetable for their withdrawal. On 22 July, the European Parliament and the Council adopted Regulation (EC) No 1726/2003 which takes this process one step further by establishing a plan for the

<sup>(1)</sup> Bull. 3-2003, point 1.4.46.

<sup>(2)</sup> OJ L 90, 2.4.1999; 1999 General Report, point 410.

<sup>(3)</sup> Regulation (EC) No 411/2003 (OJ L 62, 6.3.2003).

<sup>(4)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.4.36.

<sup>(5)</sup> [http://europa.eu.int/comm/transport/maritime/index\\_en.htm](http://europa.eu.int/comm/transport/maritime/index_en.htm).

<sup>(6)</sup> [http://europa.eu.int/comm/transport/maritime/safety/index\\_en.htm](http://europa.eu.int/comm/transport/maritime/safety/index_en.htm).

<sup>(7)</sup> 2000 General Report, point 645; 2001 General Report, point 711.

<sup>(8)</sup> 2002 General Report, point 648.

<sup>(9)</sup> Bull. 3-2003, point I.38.

<sup>(10)</sup> COM(2003) 105; Bull. 3-2003, point 1.4.48.

<sup>(11)</sup> Bull. 6-2003, point I.21.

earlier phasing-in of double-hull or equivalent design requirements for single-hull oil tankers (Table I).

On 14 April, the European Parliament and the Council adopted Directive 2003/24/EC amending the existing safety rules and standards for passenger ships <sup>(1)</sup> (Table I) and Directive 2003/25/EC on specific stability requirements for ro-ro passenger ships (Table I). On 6 August, the Commission proposed amendments to Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency; these are designed to give the Agency the legal competence and the necessary means to combat pollution by ships and to define its role in the field of maritime safety and security and of training for seafarers (Table I). On 11 December, the Commission proposed the adoption of a regulation on compliance with the international safety management code (ISM code) within the Community (Table I) in order to ensure effective implementation of the ISM code throughout the European Union.

In a resolution of 23 September <sup>(2)</sup>, the European Parliament recommended several measures to improve maritime safety following the sinking of the *Prestige*. On 6 November <sup>(3)</sup>, it set up a temporary committee composed of 44 parliamentarians with a six-month mandate to examine ways of improving safety at sea.

**684. *Maritime training.*** On 17 November, the European Parliament and the Council adopted Directive 2003/103/EC amending Directive 2001/25/EC on the minimum level of training of seafarers (Table I) to address the difficulties encountered by Member States in applying the recognition procedure to certificates issued by non-EU countries.

**685. *Maritime transport and seafaring professions.*** In its conclusions of 5 June <sup>(4)</sup>, the Council gave the start signal for actions at both Community and national levels to promote a high standard of maritime transport and to attract young people to the seafaring professions. The Council particularly stressed the importance of compliance with the legislation on working conditions, safety and social rights and on the implementation of appropriate measures to develop a code within the International Maritime Organisation to ensure that flag States meet their obligations under international maritime conventions.

**686. *Maritime transport security.*** The Commission examined the issue of improved maritime transport security in a communication of 2 May <sup>(5)</sup>, in which it reviews potential threats such as terrorism, analyses the issues involved in establishing international rules and adapting them at Community level (port security, the security of the transport logistics chain, monitoring and administration of maritime security), and proposes a set of legislative measures. This communication is backed by a proposal for a regulation to implement,

<sup>(1)</sup> [http://europa.eu.int/comm/transport/maritime/safety/passengers\\_en.htm](http://europa.eu.int/comm/transport/maritime/safety/passengers_en.htm).

<sup>(2)</sup> Bull. 9-2003, point 1.4.33.

<sup>(3)</sup> Bull. 11-2003, point 1.4.75.

<sup>(4)</sup> Bull. 6-2003, point 1.4.76.

<sup>(5)</sup> COM(2003) 229; Bull. 5-2003, point 1.4.56.

within the Community, the international instruments adopted at the diplomatic conference of the International Maritime Organisation (Table I).

**687.** *Environmental protection.* On 14 April, the European Parliament and the Council adopted Regulation (EC) No 782/2003 on the prohibition of organotin compounds in the anti-fouling paints used on ships (Table I). In the field of criminal law, the Commission on 5 March submitted a proposal for a directive to introduce criminal sanctions for those responsible for environmental disasters resulting both from the pollution caused by accidents involving ships carrying substances harmful to the marine environment, and from deliberate discharges by ships, including tank-cleaning and waste oil disposal at sea (Table I). It further proposed, on 2 May, the adoption by the Council of a framework decision to strengthen the criminal-law framework for combating ship-source pollution (→ point 536), in particular by approximating Member States' legislation and encouraging cooperation between the judicial authorities. On 15 December <sup>(1)</sup>, the Council authorised the Member States, including those without a seaboard, to sign, ratify or accede to the protocol of 16 May 2003 to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992.

**688.** *Shipping register.* On 5 August, the Commission proposed that the scope of Regulation (EEC) No 613/91 on the transfer of cargo ships and passenger ships between registers within the Community should be extended to take account, among other things, of the experience gained in applying the regulation and the potential effects of EU enlargement (Table I).

**689.** *Athens Protocol.* On 24 June, the Commission proposed that the whole of the Community, including the Member States, should conclude the 2002 protocol to the Athens Convention relating to the carriage of passengers and their luggage by sea, 1974, and thereby become a contracting party to the protocol (Table III).

**690.** *Short-sea shipping* <sup>(2)</sup>. In a communication of 7 April <sup>(3)</sup>, the Commission presented a programme designed to promote short-sea shipping, with 14 targeted actions at Community, national, regional and industry levels. The objective is to help reduce the growth in road transport, to rebalance the modal split and to contribute to sustainable development and safety. The European Economic and Social Committee endorsed the programme on 29 October <sup>(4)</sup>.

**691.** *Port services.* In spite of a compromise reached on 9 September by the European Parliament and the Council in the Conciliation Committee, Parliament rejected the joint text of the proposal for a directive on access to port services at the third reading on 20 November (Table I).

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<sup>(1)</sup> Bull. 12-2003, point 1.4.82.

<sup>(2)</sup> [http://europa.eu.int/comm/transport/maritime/sss/index\\_en.htm](http://europa.eu.int/comm/transport/maritime/sss/index_en.htm).

<sup>(3)</sup> COM(2003) 155; Bull. 4-2003, point 1.4.43.

<sup>(4)</sup> Bull. 10-2003, point 1.4.57.

692. *Activities of third countries.* On 27 November, the Commission proposed codifying Decision 78/774/EEC <sup>(1)</sup> concerning the activities of certain third countries in the field of cargo shipping, in the interests of simplifying and clarifying the Community legislation (→ points 28 to 30), without making any changes of substance (Table I).

## Air transport <sup>(2)</sup>

693. *International negotiations.* In a communication of 26 February <sup>(3)</sup>, the Commission recommended establishing a clear legal framework for bilateral relations between the European Union and third countries in the field of air transport and for the division of responsibilities in this area between the Community and its Member States. As a result of the Court of Justice rulings condemning the ‘open skies’ agreements concluded by eight Member States, the Commission’s initiative is aimed at obtaining an overall mandate to negotiate Community agreements with third countries which contain standard clauses for all Community air carriers, in order to avoid any discrimination. The communication is supplemented by a proposal for a regulation obliging Member States to provide information about the progress and results of negotiations with third countries (Table I). The Commission’s overall approach was welcomed by the Council which, on 5 June, adopted negotiating directives as a basis for negotiating a Community agreement with the United States and for bringing all bilateral agreements concluded by a Member State into line with Community law (Table III).

694. *Conferences of the International Civil Aviation Organisation (ICAO).* The Community participated in the Fifth Worldwide Air Transport Conference organised by the ICAO in Montreal from 24 to 29 March to examine the regulation of international air transport. The conclusions adopted by the conference recognise the need, advocated by the Community in particular, to continue reform of the sector by broadening the member countries’ scope to take regional and unilateral measures to open up investments in their industries and to authorise cross-border investments in their airlines. In addition the Commission, in coordination with the Council Presidency, represented the Community at the Eleventh Air Navigation Conference in Montreal from 22 September to 3 October, which was also organised by the ICAO.

695. *Single European sky.* The legislative work on the proposals for regulations under the ‘single sky’ initiative (framework for the creation of the single European sky, supply of air navigation services, organisation and use of air space, interoperability of the European air traffic control network) continued throughout the year (Table I). As the conciliation procedure produced a consensus between the institutions on 9 December, the legislative texts will be adopted at the beginning of 2004.

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<sup>(1)</sup> OJ L 258, 21.9.1978. Amended by Decision 89/242/EEC (OJ L 97, 11.4.1989).

<sup>(2)</sup> [http://europa.eu.int/comm/transport/air/index\\_en.htm](http://europa.eu.int/comm/transport/air/index_en.htm).

<sup>(3)</sup> COM(2003) 94; Bull. 1/2-2003, point 1.4.68.

696. *Eurocontrol*. On 24 September, the Commission proposed that the Community should conclude the protocol of accession to the European Organisation for the Safety of Air Navigation (Eurocontrol) signed on 8 October 2002 (Table III). On 22 December, it signed an administrative agreement with Eurocontrol on cooperation in achieving the objectives pursued in the context of their respective policies. On 25 September, the Commission proposed a number of technical amendments to Regulation (EC) No 2320/2002 establishing common rules in the field of civil aviation security (Table I).

697. *Aviation safety*. Following the approval by both institutions of a joint text prepared in the Conciliation Committee, the European Parliament and the Council adopted Directive 2003/42/EC on mandatory occurrence reporting in civil aviation on 13 June, the aim of which is to provide a better understanding of the factors involved in aviation accidents as a basis for prevention (Table I). In conformity with Regulation (EC) No 1592/2002 of 15 July 2002 on common rules in the field of civil aviation and establishing a European Aviation Safety Agency (EASA) <sup>(1)</sup>, the Agency became operational on 28 September and will henceforth be responsible for the certification of aeronautical products, which used to be incumbent on the Member States.

698. *Safety of third-country aircraft and insurance*. The legislative procedure relating to the adoption of a directive on the safety of third countries' aircraft using Community airports continued in 2003 (Table I). Work also continued on the adoption of a regulation on insurance requirements for air carriers and aircraft operators (Table I).

699. *Passenger compensation*. On 18 December, the European Parliament approved the joint text on compensation and assistance to air passengers in the event of denied boarding and of cancellation or long delay of flights, agreed with the Council in the Conciliation Committee on 14 October (Table I). The regulation aims to reduce denied boarding occurrences by requiring airlines to find volunteers willing to relinquish their reservation rather than obliging passengers to remain behind against their will. It also seeks to reduce the inconvenience associated with cancellations by encouraging airlines to inform passengers in advance and to book them on replacement flights. The regulation also gives passengers the right to care and assistance in the event of denied boarding and of cancellation or long delay of flights.

700. *Community airports*. On 22 July, the European Parliament and the Council amended Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports in order to help airlines deal with the difficult international context presented by the war in Iraq, the general economic slowdown and the outbreak of severe acute respiratory syndrome in South-East Asia (Table I). In an opinion of 2 July <sup>(2)</sup>, the Committee of the Regions urged that greater account should be taken of regional airports in the Community.

<sup>(1)</sup> OJ L 240, 7.9.2002; 2002 General Report, point 653.

<sup>(2)</sup> OJ C 256, 24.10.2003; Bull. 7/8-2003, point 1.4.46.

701. *Aircraft operation rules.* In the interests of simplification and transparency, the Commission proposed, on 29 August, that Directive 92/14/EEC on the operation of aeroplanes should be consolidated to bring it into line with the international standards (Table I).

### **Multimodal transport <sup>(1)</sup>**

702. *Marco Polo programme <sup>(2)</sup>.* With the approval on 22 July of Regulation (EC) No 1382/2003, the European Parliament and the Council adopted the Marco Polo programme, putting in place a financial instrument designed to support both the fight against congestion in the road freight sector, and the objectives of improving the environmental performance of the transport system as a whole (Table I).

703. *Intermodal loading units.* With its communication of 7 April on short-sea shipping (→ point 690), the Commission also proposed a directive to harmonise certain aspects of intermodal loading units in order to improve the efficiency of the transport chain (Table I).

### **Clean urban transport <sup>(3)</sup>**

704. As the initial results of the first 19 projects launched under the Civitas initiative <sup>(4)</sup> were promising, the Commission allocated an additional EUR 50 million to this action and launched a second call for proposals to select a further group of cities interested in adopting a set of innovative measures to improve their urban transport system. The CUTE project, for which the Commission provided EUR 18.5 million in funding, began field trials in 2003 and is the world's largest demonstration project for buses powered by hydrogen fuel cells.

### **State aid**

705. *Unfair practices.* Legislative work continued in 2003 on the adoption of a regulation on protection against subsidies and unfair pricing practices in the supply of air transport services by non-Community countries (Table I).

### **Transport and environment**

706. The use of biofuels for transport is dealt with in Section 5 ('Energy') of this chapter (→ point 644).

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<sup>(1)</sup> [http://europa.eu.int/comm/transport/intermodality/index\\_en.htm](http://europa.eu.int/comm/transport/intermodality/index_en.htm).

<sup>(2)</sup> [http://europa.eu.int/comm/transport/marcopolo/index\\_en.htm](http://europa.eu.int/comm/transport/marcopolo/index_en.htm).

<sup>(3)</sup> [http://europa.eu.int/comm/energy\\_transport/en/cut\\_en.html](http://europa.eu.int/comm/energy_transport/en/cut_en.html).

<sup>(4)</sup> 2002 General Report, point 636.

## International cooperation

707. *General approach.* In a resolution of 11 March on the European Union's external relations in the field of transport <sup>(1)</sup>, the European Parliament, expressing its concern at the fact that the EU is unable to participate in the formulation of international rules concerning competencies falling within the scope of the Treaties, proposed that the Community should accede to international organisations such as the International Maritime Organisation and the International Civil Aviation Organisation. Similarly, it considered that Europe should speak with one voice on the bilateral 'open skies' agreements (→ point 693) between the USA and a number of Member States. Other issues raised by Parliament concern: the heavy charges imposed by Russia on air carriers overflying its territory; the tax situation of seafarers in short-sea shipping; the establishment of a Europe-wide river information system and better integration of the inland waterway transport market in the enlarged EU; and cooperation with the countries of eastern Europe in the field of rail freight services and international rail passenger transport services.

708. *Euro-Mediterranean transport network.* In a communication of 24 June on the development of a Euro-Mediterranean transport network <sup>(2)</sup>, the Commission makes recommendations on planning the networks and identifying priority projects as well as on the necessary funding and on incorporating common transport-policy objectives, relating in particular to maritime and aviation safety and the Galileo programme (→ point 667). In addition, the Euro-Mediterranean Transport Forum met in Brussels on 28 October. Furthermore, the 'Euro-Med Transport' project, funded by the MEDA programme (EUR 20 million) was launched in 2003.

709. *Aeronautical equipment.* On 3 March, the Community acceded to the Cape Town Convention of November 2001 on international interests in mobile equipment (Table III).

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<sup>(1)</sup> Bull. 3-2003, point 1.4.58.

<sup>(2)</sup> COM(2003) 376; Bull. 6-2003, point 1.4.83.

## Section 7

# Health and consumer protection <sup>(1)</sup>

## Overview

710. *The Commission launched a number of initiatives on the food safety front in 2003, covering aspects such as official food and feed controls, and the welfare of animals during transport, thereby putting in place all the elements needed to attain the strategic objectives identified in 2000 in the White Paper on food safety. Additionally, the European Food Safety Authority, set up in 2002, became operational. For public health, the action programme for 2003–08 was launched with a highly productive call for proposals. The year also saw the outbreak of severe acute respiratory syndrome (SARS), over the period from March to June, which highlighted the need to strengthen EU-level coordination. In this connection, the Commission proposed that a European Centre for Disease Prevention and Control be created. Moreover, the Union played a key role in the final negotiations on the World Health Organisation’s Framework Convention on Tobacco Control, and was one of the first signatories. There were also significant developments in consumer policy, with the Commission proposing to introduce Community rules against unfair commercial practices and to establish a system of cooperation between the Member States’ authorities responsible for consumer protection, and an action plan on European contract law was outlined. In addition, a financial framework for activities in support of consumer policy was set out. Preparations for enlargement were stepped up in 2003, with the future Member States being invited to participate in all the committees and deliberations to do with health and consumer protection in the crucial final stages of the preparations.*

## Food safety, animal health and welfare, and plant health <sup>(2)</sup>

### Food safety <sup>(3)</sup>

711. *Food hygiene.* The process of recasting Community legislation on food hygiene (Table I), including foodstuffs of animal origin (Table I), continued throughout the year. With a view to reducing the risks associated with pathogens <sup>(4)</sup>, the European Parliament and the Council adopted, on 17 November, Directive 2003/99/EC and Regulation (EC) No 2160/2003, concerned respectively with the monitoring of zoonoses and zoonotic agents, and the control of salmonella and other food-borne zoonotic agents (Table I). The subject of bovine spongiform encephalopathy (BSE) is dealt with under ‘Animal health’ (→ point 722).

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/health\\_consumer/index\\_en.htm](http://europa.eu.int/comm/dgs/health_consumer/index_en.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/food/index\\_en.htm](http://europa.eu.int/comm/food/index_en.htm).

<sup>(3)</sup> [http://europa.eu.int/comm/food/fs/sfp/sfp\\_index\\_en.html](http://europa.eu.int/comm/food/fs/sfp/sfp_index_en.html).

<sup>(4)</sup> COM(2001) 452; 2001 General Report, point 750.

712. *Additives and flavourings*. On 18 June, the European Parliament and the Council withdrew the authorisation to use the additive E 425 konjac in jelly mini-cups and jelly confectionery (Table I). In the light of recent technical and scientific studies, they reached agreement, on 1 December, on the scope of authorisations for certain food additives other than colourings and sweeteners, and on the introduction of rules for using additives in flavourings (Table I). As regards sweeteners for use in foodstuffs, they also agreed, on 1 December, upon a proposal for a directive granting authorisation for two new sweeteners and reducing the maximum usable dose for cyclamates in certain drinks (Table I). On 10 November, they established, under Regulation (EC) No 2065/2003, Community-level procedures for the safety assessment and authorisation of smoke flavourings for use in or on foodstuffs (Table I). With regard to extraction solvents used in the production of foodstuffs or food ingredients, the Commission proposed, on 30 July, that Directive 88/344/EEC <sup>(1)</sup> be codified (Table I).

713. *Materials in contact with foodstuffs*. On 17 November, the Commission put forward proposals for improving the traceability and labelling of materials and articles intended to come into contact with foodstuffs, and guaranteeing the transparency of the authorisation process for the substances concerned (Table I). One such proposal seeks to lay down standards for the safe use of innovative types of 'active and intelligent' packaging.

714. *Health rules*. In line with the measures set out in the January 2000 White Paper on food safety <sup>(2)</sup>, the Commission proposed, on 5 February, improving the effectiveness of official food and feed controls by redefining the competent authorities' obligations and its own duties in terms of organising the controls (Table I). This proposal, geared to a high level of consumer protection based on enhanced information systems and greater legal certainty for operators, obliges the Member States to take action in the event of non-compliance with the relevant legislation. It also provides a list of serious offences punishable by criminal sanctions.

715. *Labelling and consumer information* <sup>(3)</sup>. With the aim of ensuring a high level of protection through better consumer information and greater legal certainty for economic operators, the European Parliament and the Council revised, on 10 November, the system for foodstuffs labelling, which now requires fuller details of the ingredients present in foodstuffs, particularly those which are allergenic (Table I). On 16 July, the Commission proposed a new legislative framework in respect of nutrition and health claims for foodstuffs (Table I).

716. *Genetically modified organisms (GMOs)* <sup>(4)</sup>. On 22 September, the European Parliament and the Council adopted Regulation (EC) No 1829/2003, setting out centralised Community procedures for the evaluation, authorisation and surveillance of genetically modified food and feed (Table I). Other GMO-related matters are dealt with in Section 4 ('Environment') of Chapter V (→ point 610).

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(1) OJ L 157, 24.6.1988; Twenty-second General Report, point 218.

(2) COM(1999) 719; 2000 General Report, point 660; Internet ([http://europa.eu.int/comm/food/food/intro/white\\_paper\\_en.htm](http://europa.eu.int/comm/food/food/intro/white_paper_en.htm)).

(3) [http://europa.eu.int/comm/food/food/labellingnutrition/index\\_en.htm](http://europa.eu.int/comm/food/food/labellingnutrition/index_en.htm).

(4) [http://europa.eu.int/comm/food/food/biotechnology/index\\_en.htm](http://europa.eu.int/comm/food/food/biotechnology/index_en.htm).

717. *Fortified foods.* On 10 November, the Commission proposed setting out common rules for the voluntary addition of vitamins and minerals to foods (Table I). It sought mainly to establish a list of vitamins, minerals and other substances allowed to be added to foods, determine the criteria for setting minimum and maximum levels in respect of different added nutrients and lay down rules on labelling to ensure that consumers are properly informed.

718. *Animal nutrition.* On 20 February <sup>(1)</sup>, the Council renewed the authorisation to use avilamycin as a growth promoter in turkey feed. On 14 April, the Commission proposed changing the current animal feed hygiene arrangements <sup>(2)</sup> (Table I), with a view to extending the requirements to the primary production sector and applying the hazard analysis and critical control point (HACCP) principles to certain operators. On 24 April <sup>(3)</sup>, the Commission adopted a report in which it argued against drawing up a positive list of raw materials for animal feed regarded as presenting no danger to human health. As regards the marketing and use of additives in animal nutrition, the European Parliament and the Council signed, on 22 September, Regulation (EC) No 1831/2003 establishing a Community authorisation and labelling procedure under the aegis of the European Food Safety Authority (Table I).

719. *Substances banned in stockfarming.* On 22 September, the European Parliament and the Council adopted Directive 2003/74/EC confirming the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and of beta-agonists designed to promote animal growth (Table I).

720. *Products of animal origin.* On 3 November, the Commission proposed extending until 2005 the validity of Decision 95/408/EC, which lays down the conditions for drawing up and amending provisional lists of third-country establishments from which the Member States are authorised to import certain products of animal origin, fishery products and live bivalve molluscs (Table II).

721. *Food trade.* On 17 November, the Council approved the accession of the European Community to the Codex Alimentarius Commission, whose purpose is to protect the health of consumers and ensure fair practices in food trade (Table II).

## Animal health <sup>(4)</sup>

722. *Animal diseases.* On 28 January <sup>(5)</sup>, the Council decided to ban imports, into the Community, of poultry and derived products from certain areas of the United States, following an outbreak of Newcastle disease. On 16 June, the Council and the European

<sup>(1)</sup> Council Regulation (EC) No 355/2003 (OJ L 53, 28.2.2003; Bull. 1/2-2003, point 1.4.84).

<sup>(2)</sup> Directive 95/69/EC (OJ L 332, 30.12.1995; 1995 General Report, point 111), as last amended by Directive 1999/20/EC (OJ L 80, 25.3.1999; 1999 General Report, point 578).

<sup>(3)</sup> COM(2003) 178; Bull. 4-2003, point 1.4.53.

<sup>(4)</sup> [http://europa.eu.int/comm/food/fs/ah\\_pcad/ah\\_pcad\\_index\\_en.html](http://europa.eu.int/comm/food/fs/ah_pcad/ah_pcad_index_en.html).

<sup>(5)</sup> Decision 2003/67/EC (OJ L 26, 31.1.2003; Bull. 1/2-2003, point 1.4.81).

Parliament extended until 1 July 2005 the transitional measures designed to tackle bovine spongiform encephalopathy (BSE) (Table I). On 19 September <sup>(1)</sup>, the Commission deemed it advisable to maintain the ban on the use of animal proteins in livestock feed with a view to preventing transmissible spongiform encephalopathies. On the matter of foot-and-mouth disease, the Council adopted, on 11 June, Regulation (EC) No 1040/2003 (Table II), reinforcing the animal-health rules applicable to staging points; moreover, on 29 September, the Council laid down, in Directive 2003/85/EC, minimum measures to be applied in the event of a suspected outbreak of the disease (Table II).

**723. *Animal-health requirements.*** On 26 May, the Council adopted Directive 2003/43/EC, amending the animal-health requirements applicable to intra-Community trade in and imports of bovine sperm (Table II). On the same day, the European Parliament and the Council adopted Regulation (EC) No 998/2003 with a view to harmonising and simplifying the animal-health rules and conditions governing non-commercial movement of pet animals and checks on such movement (Table I). On 11 June, the Council adopted Directive 2003/50/EC, designed to strengthen checks on the registration and identification of sheep and goats (Table II). On 1 October, the Commission proposed consolidating the animal-health rules governing the importation of certain live ungulate animals and establishing the conditions under which third countries are authorised to export equidae to the European Union (Table II). On 17 December, for the purpose of rapidly tracing sheep and goats in the event of an outbreak of a contagious disease, the European Parliament and the Council strengthened the provisions of Regulation (EEC) No 3508/92, with the introduction of a system for the electronic identification and registration of every animal (Table II).

## Animal welfare <sup>(2)</sup>

**724. *International transport and trade of animals.*** Having regard to the European Parliament's declaration of 4 June <sup>(3)</sup>, on the need to comply with European standards for the transport of live animals from Member States, acceding countries and third countries, the Commission proposed, on 16 July, wholesale revision of the rules governing the protection of animals during transport and related operations (Table II). It sought mainly to define more clearly the responsibilities of transporters and other operators. On 29 October, the Commission proposed signing the revised European Convention for the Protection of Animals during International Transport in the light of new scientific knowledge and practical experience gained since 1968, for the purpose of safeguarding the welfare and health of vertebrate animals during transport (Table III). On 18 December <sup>(4)</sup>, the European Parliament called for a ban on the import, export, sale and production of cat and dog furs and skins.

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<sup>(1)</sup> COM(2003) 546; Bull. 9-2003, point 1.4.46.

<sup>(2)</sup> [http://europa.eu.int/comm/food/animal/index\\_en.htm](http://europa.eu.int/comm/food/animal/index_en.htm).

<sup>(3)</sup> Bull. 6-2003, point 1.4.95.

<sup>(4)</sup> Bull. 12-2003, point 1.4.96.

725. *European Convention for the Protection of Animals Kept for Farming Purposes.* The Commission proposed, on 12 December, that the proposal for a recommendation concerning pigs be approved, with a view to its adoption at the 46th meeting of the Standing Committee of the European Convention for the Protection of Animals Kept for Farming Purposes (Table II).

### Plant health <sup>(1)</sup>

726. *Plants and plant products.* On 31 July <sup>(2)</sup>, the Commission adopted a proposal approving the Community's accession to the International Convention for the Protection of Plants, as revised and approved by Resolution 12/97 of the 29th session of the conference of the UN Food and Agriculture Organisation (FAO) of November 1997. On 11 November, the Commission put forward a proposal for amending Regulation (EC) No 2100/94 on Community plant variety rights, mainly to introduce new rules governing intellectual property rights to a plant variety (Table II).

727. *Seeds and plants.* On 26 May, the Council adopted Decision 2003/403/EC, adding Lithuania to the list of countries whose seeds are recognised as being equivalent to those produced by the Community (Table II). On 18 June, the Council adopted Directive 2003/61/EC, amending the existing legislation on comparative tests and trials for seed and propagating material, and making provision for the financial measures needed to maintain the post-control system (Table II).

728. *Plant protection products.* On 14 March, as part of the simplification of existing legislation on maximum residues <sup>(3)</sup>, the Commission proposed a harmonisation of the maximum limits applying to the residues of pesticides authorised in products of plant and animal origin (Table I). On 18 March <sup>(4)</sup>, the Council withdrew the authorisations for plant protection products containing aldicarb. On 22 December, the Commission proposed that the principles for evaluation and authorisation of plant protection products under Directive 91/414/EC be extended to plant protection products containing micro-organisms (Table I).

729. *International cooperation.* On 17 November, the Council decided to conclude the International Treaty on Plant Genetic Resources for Food and Agriculture, signed on 6 June 2002 <sup>(5)</sup> under the aegis of the UN Food and Agriculture Organisation (FAO), setting up a multilateral system for protecting and accessing these resources (Table III).

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<sup>(1)</sup> [http://europa.eu.int/comm/food/plant/index\\_en.htm](http://europa.eu.int/comm/food/plant/index_en.htm).

<sup>(2)</sup> COM(2003) 470; Bull. 7/8-2003, point 1.4.73.

<sup>(3)</sup> Directives 76/895/EEC (OJ L 340, 9.12.1976; Tenth General Report, point 294), 86/362/EEC, 86/363/EEC (OJ L 221, 7.8.1986; Twentieth General Report, point 584) and 90/642/EEC (OJ L 350, 14.12.1990).

<sup>(4)</sup> Decision 2003/199/EC (OJ L 76, 22.3.2003; Bull. 3-2003, point 1.4.66).

<sup>(5)</sup> 2002 General Report, point 680.

## Public health <sup>(1)</sup>

### Health strategy in the European Union <sup>(2)</sup>

730. *Health security.* In a communication dated 2 June <sup>(3)</sup>, as part of ongoing action in response to 11 September 2001, the Commission set out the health aspects of European Union action to counter bioterrorism and the health protection measures against biological and chemical agent attacks.

731. *Healthcare.* On 17 July <sup>(4)</sup>, the European Economic and Social Committee delivered its opinion on setting up the open method of coordination for healthcare and the adoption of national action plans. December saw the completion of the high-level process of reflection on patient mobility and healthcare development in the European Union, started in 2002 <sup>(5)</sup>, with the aim of developing a common vision at European level in this field, with due regard for national health system prerogatives. At its meeting held on 1 and 2 December <sup>(6)</sup>, the Council adopted a resolution calling, in the interests of patients, for the quality and rational use of medicines to be taken into consideration, for the purpose of devising pharmaceutical and public health policies.

732. *International cooperation.* On 19 September <sup>(7)</sup>, the Commission described progress with the revision of the International Health Regulations (IHRs) in the framework of the World Health Organisation (WHO), and looked at the compatibility of Community legislation with an enhanced instrument for worldwide monitoring of the cross-border transmission of specific global-scale diseases. At its meeting held on 1 and 2 December, the Council adopted negotiating directives with a view to signing an agreement on the revision of these regulations (Table III).

### Health mainstreaming in other Community policies <sup>(8)</sup>

733. Information on the impact of health policy within other Community policies is contained in Sections 3 ('Employment and social policy') and 9 ('Information society') of Chapter IV (→ points 169 and 393), in Sections 1 ('Area of freedom, security and justice') (→ points 541, 542 and 543) and 4 ('Environment') of this chapter (→ point 603), and in Section 4 ('Development cooperation') of Chapter VI (→ points 816 to 818).

<sup>(1)</sup> [http://europa.eu.int/comm/health/index\\_en.html](http://europa.eu.int/comm/health/index_en.html).

<sup>(2)</sup> [http://europa.eu.int/comm/health/ph\\_overview/strategy/health\\_strategy\\_en.htm](http://europa.eu.int/comm/health/ph_overview/strategy/health_strategy_en.htm).

<sup>(3)</sup> COM(2003) 320; Bull. 6-2003, point 1.4.99.

<sup>(4)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.4.74.

<sup>(5)</sup> 2002 General Report, point 687.

<sup>(6)</sup> Bull. 12-2003, point 1.4.99.

<sup>(7)</sup> COM(2003) 545; Bull. 9-2003, point 1.4.54.

<sup>(8)</sup> [http://europa.eu.int/comm/health/ph\\_overview/other\\_policies/health\\_other\\_policies\\_en.htm](http://europa.eu.int/comm/health/ph_overview/other_policies/health_other_policies_en.htm).

## Health information <sup>(1)</sup>

734. *Health information and knowledge system.* As part of the Community action programme in the field of public health (2003–08) <sup>(2)</sup>, a network comprising the authorities responsible for health information and knowledge was created.

## Health threats <sup>(3)</sup>

735. *Human body products.* On 27 January, the European Parliament and the Council adopted Directive 2002/98/EC setting standards of quality and safety for the collection, testing, processing, storage and distribution of human blood and blood components (Table I). The new rules set out requirements concerning the suitability of blood and plasma donors, the screening of donated blood, the establishments handling blood and blood components, and the national accreditation and monitoring structures.

736. *European Centre for Disease Prevention and Control.* Underlining the importance of a structured and systematic approach to the control of communicable diseases and serious health threats, the Commission proposed, on 23 July, rationalising the ad-hoc cooperation between the Member States through the creation of an independent European agency known as the ‘European Centre for Disease Prevention and Control’, with special responsibility for epidemiological surveillance and for providing scientific advice (Table I).

737. *Cancer screening.* On 2 December, the Council recommended the implementation of programmes for early detection of cancer (Table II). For its part, the European Parliament took the view, on 5 June <sup>(4)</sup>, that breast cancer should be a priority in terms of health policy.

738. *Severe acute respiratory syndrome (SARS)* <sup>(5)</sup>. On 6 May <sup>(6)</sup>, after pointing out that the application of health protection measures was a matter for the Member States’ authorities, the Council welcomed the rapid exchange of information within the Union under the aegis of the network for the epidemiological surveillance and control of communicable diseases <sup>(7)</sup>. On 15 May <sup>(8)</sup>, the European Parliament called on the World Health Assembly (WHA) to again <sup>(9)</sup> give Taiwan observer status at its 56th session.

739. *Other disorders.* On 2 June <sup>(10)</sup>, the Council called for close collaboration to combat the stigma and discrimination associated with mental illness. On 18 De-

<sup>(1)</sup> [http://europa.eu.int/comm/health/ph\\_information/information\\_en.htm](http://europa.eu.int/comm/health/ph_information/information_en.htm).

<sup>(2)</sup> Decision No 1786/2002/EC (OJ L 271, 9.10.2002; 2002 General Report, point 685).

<sup>(3)</sup> [http://europa.eu.int/comm/health/ph\\_threats/threats\\_en.htm](http://europa.eu.int/comm/health/ph_threats/threats_en.htm).

<sup>(4)</sup> Bull. 6-2003, point 1.4.103.

<sup>(5)</sup> [http://europa.eu.int/comm/health/ph\\_threats/com/sars/sars\\_en.htm](http://europa.eu.int/comm/health/ph_threats/com/sars/sars_en.htm).

<sup>(6)</sup> Bull. 5-2003, point 1.4.70.

<sup>(7)</sup> Decision No 2119/98/EC (OJ L 268, 3.10.1998; 1998 General Report, point 627).

<sup>(8)</sup> Bull. 5-2003, point 1.4.71.

<sup>(9)</sup> 2002 General Report, point 965.

<sup>(10)</sup> OJ C 141, 17.6.2003; Bull. 6-2003, point 1.4.101.

ember <sup>(1)</sup>, the European Parliament adopted a resolution on Petition 842/2001 concerning the effects of discriminatory treatment of persons with multiple sclerosis in the European Union.

### Health determinants <sup>(2)</sup>

740. *Drugs*. On 18 June, as part of the European Union's anti-drugs strategy (2000–04) <sup>(3)</sup>, the Council formulated recommendations for preventing and reducing drug-induced health damage, including methods focused on outreach work (Table II). The representatives of the Member State governments for their part, on 25 June <sup>(4)</sup>, placed emphasis on the effective management of drug dependence and on medically assisted treatment in national healthcare systems.

741. *Tobacco*. With a view to harmonising the rules governing the advertising of tobacco products in the printed media, radio broadcasting and information society services (with the exception of television advertising) as well as the rules on sponsorship, the European Parliament and the Council adopted, on 26 May, Directive 2003/33/EC, replacing Directive 98/43/EC <sup>(5)</sup>, which was annulled by the Court of Justice in 2000 <sup>(6)</sup> (Table I). 16 June saw the signing of the World Health Organisation's Framework Convention on Tobacco Control, with the signatories committing themselves to banning tobacco advertising, sponsorship and promotion (Table III).

742. *Healthy lifestyles*. At its meeting held on 1 and 2 December, the Council called for the preparation and implementation of measures and strategies, focusing particularly on public information, to bring about a healthy environment accessible to all.

## Consumer policy <sup>(7)</sup>

### General aspects

743. *Consumer policy strategy* <sup>(8)</sup>. The European Economic and Social Committee and the European Parliament endorsed, on 26 February <sup>(9)</sup> and 13 March <sup>(10)</sup> respectively, the consumer policy strategy outlined by the Commission in 2002 <sup>(11)</sup>.

<sup>(1)</sup> Bull. 12-2003, point 1.4.101.

<sup>(2)</sup> [http://europa.eu.int/comm/health/ph\\_determinants/healthdeterminants\\_en.htm](http://europa.eu.int/comm/health/ph_determinants/healthdeterminants_en.htm).

<sup>(3)</sup> COM(1999) 239; 1999 General Report, point 911.

<sup>(4)</sup> Bull. 6-2003, points 1.4.106 and 1.4.107.

<sup>(5)</sup> OJ L 213, 30.7.1998; 1998 General Report, point 624.

<sup>(6)</sup> Case C-376/98, 5.10.2000: *Federal Republic of Germany v Parliament and Council* ((2000) ECR I-8419; Bull. 12-2000, point 1.8.41).

<sup>(7)</sup> [http://europa.eu.int/comm/consumers/index\\_en.htm](http://europa.eu.int/comm/consumers/index_en.htm).

<sup>(8)</sup> [http://europa.eu.int/comm/consumers/overview/cons\\_policy/index\\_en.htm](http://europa.eu.int/comm/consumers/overview/cons_policy/index_en.htm).

<sup>(9)</sup> OJ C 95, 23.4.2003; Bull. 1/2-2003, point 1.4.90.

<sup>(10)</sup> Bull. 3-2003, point 1.4.71.

<sup>(11)</sup> OJ C 137, 8.6.2002; COM(2002) 208; 2002 General Report, point 693.

744. *Financial framework for activities in support of consumer policy.* In a report adopted on 31 January <sup>(1)</sup>, the Commission described the activities undertaken for the benefit of consumers within the general framework set out in 1999 <sup>(2)</sup>. The European Parliament and the Council adopted, on 8 December, Decision 20/2004/EC establishing a general framework for financing actions in support of consumer policy for the years 2004 to 2007, with an overall budget of EUR 72 million (Table I).

745. *Green Paper follow-up.* On 18 June, responding to two resolutions adopted by the European Parliament on 13 March <sup>(3)</sup>, and in accordance with the guidelines set out in 2001 by the Green Paper on consumer protection <sup>(4)</sup>, the Commission proposed a harmonised framework for banning unfair commercial practices which adversely affect the economic interests of consumers, and for the mutual recognition of national rules in this field (Table I). On 18 July, it proposed setting up a network of public authorities responsible for enforcing legislation to protect the interests of consumers in the event of cross-border disputes (Table I).

746. *Safety of products and services* <sup>(5)</sup>. On 6 June <sup>(6)</sup>, the Commission set out the priorities for Community action in the field of consumer services safety. At its meeting held on 1 and 2 December <sup>(7)</sup>, the Council also called for a higher level of service safety, with particular reference to cross-border aspects. The subject of breast implants is dealt with in Section 7 ('Enterprise') of Chapter IV (→ point 314).

### Consumers' economic and legal interests <sup>(8)</sup>

747. *Injunctions.* On 12 May, the Commission proposed the codification of Directive 98/27/EC <sup>(9)</sup> concerning injunctions to protect consumer interests (Table I).

748. *Contract law.* On 12 February <sup>(10)</sup>, the Commission adopted an action plan for a more coherent contract law reflecting the conclusions of the consultation process launched in July 2001 <sup>(11)</sup>, aimed at enhancing the consistency of the *acquis communautaire* in the field of contract law, through the creation of a common frame of reference for EU contract law developing common rules, terminology and principles, while also seeking to promote the use of Europe-wide standard contract terms and gauge the desirability of an optional

<sup>(1)</sup> COM(2003) 42; Bull. 1/2-2003, point 1.4.89.

<sup>(2)</sup> Decision No 283/1999/EC (OJ L 34, 9.2.1999; 1999 General Report, point 553).

<sup>(3)</sup> Bull. 3-2003, points 1.4.69 and 1.4.70.

<sup>(4)</sup> COM(2001) 531; 2001 General Report, point 761.

<sup>(5)</sup> [http://europa.eu.int/comm/consumers/cons\\_safe/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_safe/index_en.htm).

<sup>(6)</sup> COM(2003) 313; Bull. 6-2003, point 1.4.108.

<sup>(7)</sup> Bull. 12-2003, point 1.4.107.

<sup>(8)</sup> [http://europa.eu.int/comm/consumers/cons\\_int/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_int/index_en.htm).

<sup>(9)</sup> OJ L 166, 11.6.1998; 1998 General Report, point 643; last amended by Directive 2002/65/EC (OJ L 271, 9.10.2002; 2002 General Report, point 697).

<sup>(10)</sup> OJ C 63, 15.3.2003; COM(2003) 68; Bull. 1/2-2003, point 1.4.92.

<sup>(11)</sup> 2001 General Report, point 764.

instrument in the field of contract law, which the parties could adopt where applicable. The European Parliament and the Council both welcomed, on 2 September <sup>(1)</sup> and 22 September <sup>(2)</sup> respectively, the establishment of this common reference framework.

749. *Consumer credit.* The legislative process geared to establishing a Community framework for consumer credit continued throughout the year (Table I).

### **Consumer representation, information and education <sup>(3)</sup>**

750. *Consumer representation.* On 9 October <sup>(4)</sup>, the Commission adopted a decision setting up a European Consumer Consultative Group to replace the Consumer Committee, composed of members representing consumer organisations at national and European levels, with a three-year term of office. The Commission appointed the members of the Group on 30 October <sup>(5)</sup>.

751. *General aspects.* In an own-initiative opinion of 26 March <sup>(6)</sup>, the European Economic and Social Committee came out in favour of consolidating the work on consumer education.

752. *Foodstuffs.* Information on the traceability and labelling of products for human and animal consumption is contained in the 'Food safety' part of this section (→ points 713 and 715).

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<sup>(1)</sup> Bull. 9-2003, point 1.4.56.

<sup>(2)</sup> Bull. 9-2003, point 1.4.57.

<sup>(3)</sup> [http://europa.eu.int/comm/consumers/cons\\_info/index\\_en.htm](http://europa.eu.int/comm/consumers/cons_info/index_en.htm).

<sup>(4)</sup> Decision 2003/709/EC; OJ L 258, 10.10.2003.

<sup>(5)</sup> OJ C 268, 7.11.2003.

<sup>(6)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.4.72.

# Role of the European Union in the world

## Section I

### Common foreign and security policy (CFSP) <sup>(1)</sup>

#### Overview

753. *The European Union stepped up its efforts to define and implement an overall strategy in the CFSP and defence fields. With the entry into force of the Treaty of Nice on 1 February, it was able to draw for this purpose on the objectives set out in the Treaty relating to safeguarding the common values, fundamental interests and independence of the Union. It worked to establish itself as a credible actor on the international scene and a free partner of the United States, ready to share the defence burden, by developing its own military capability and, at the Commission's initiative, promoting a European defence equipment policy. The Thessaloniki European Council, in particular, advocated setting up an intergovernmental defence agency and adopting a multi-faceted approach to the threat of terrorism and weapons of mass destruction. In the area of crisis management, the Union contributed on several occasions to the resumption of dialogue between warring parties and demonstrated its operational capabilities through three interventions outside the EU. The Union sought to intensify political dialogue with certain countries or country groupings, giving priority to questions of human rights, the rule of law and democracy. It continued its affirmative action in support of the authority of international criminal courts. The EU also continued its policy of promoting world peace by offering to mediate, contributing to the resumption of dialogue between warring parties and providing humanitarian aid to civilian populations.*

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(1) Further information is available on the Internet (<http://ue.eu.int/Pesc/default.asp?lang=en>).

## General issues

754. *CFSP guidelines.* On 14 April <sup>(1)</sup>, the Council presented its annual report to Parliament on the main aspects of the common foreign and security policy and the fundamental choices relating to it. The report complements the external relations chapter of the annual report on progress achieved by the European Union in 2002 <sup>(2)</sup>. Parliament gave its opinion on the report on 23 October <sup>(3)</sup>, highlighting the three strategy objectives, i.e. the neighbourliness policy of the enlarged Union, the commitment to the UN Charter and the strengthening of transatlantic relations. The European Council of 20 and 21 March <sup>(4)</sup> spoke of its determination to strengthen the capacity of the European Union in the context of the CFSP and the European security and defence policy, and was convinced of the need to strengthen the transatlantic partnership as fundamental strategic priority for the Union.

In its conclusions on 17 November <sup>(5)</sup>, the Council agreed to the creation in 2004 of an agency in the field of defence capabilities, development, research, acquisition and armaments. On the same day it adopted Decision 2003/834/EC <sup>(6)</sup> creating a team to prepare for the establishment of the agency. By the end of April 2004, the agency establishment team (AET) must prepare a comprehensive plan for the establishment of the agency (structure and organisation, working relations with Community institutions and specialist organisations) and draw up a common position for establishing the agency. The AET will have accomplished its mandate once the agency starts functioning, or by 31 December 2004 at the latest.

The European Council of 12 and 13 December <sup>(7)</sup> adopted the European security strategy drawn up by the CFSP High Representative. The strategy represents an important step in the development of a European security doctrine and will provide a reference framework for action by a future EU Minister for Foreign Affairs. The European Council asked the incoming Presidency and the CFSP High Representative, in coordination with the Commission, to present concrete proposals for the implementation of the strategy. Initial work would include effective multilateralism with the UN at its core, the fight against terrorism, a strategy on the Middle East and a comprehensive policy towards Bosnia-Herzegovina. The Thessaloniki European Council <sup>(8)</sup> had welcomed this initiative conceived at the informal foreign ministers' meeting at Kastellorizo in Greece.

The statute of the International Criminal Court, signed on 23 June by 139 States and ratified by 90 of them, entered into force on 1 July. On 21 July <sup>(9)</sup>, the Council called for the

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<sup>(1)</sup> Bull. 4-2003, point 1.6.6.

<sup>(2)</sup> Bull. 3-2003, point 1.1.2.

<sup>(3)</sup> Bull. 10-2003, point 1.6.1.

<sup>(4)</sup> Bull. 3-2003, point 1.1.

<sup>(5)</sup> Bull. 11-2003, point 1.6.3.

<sup>(6)</sup> Decision 2003/834/EC (OJ L 318, 3.12.2003; Bull. 11-2003, point 1.6.4).

<sup>(7)</sup> Bull. 12-2003, point 1.31.

<sup>(8)</sup> Bull. 6-2003, point 1.22.

<sup>(9)</sup> Bull. 7/8-2003, point 1.2.2.

establishment of a sustained dialogue and the strengthening of international criminal justice. On 29 September <sup>(1)</sup>, it expressed concern at the funding crisis at the Special Court for Sierra Leone which threatened the continued operation of the court beyond the end of 2003 and the development of international justice.

**755.** *EU special representatives.* The Council extended the mandate of the special representatives in Afghanistan (→ point 944), in the African Great Lakes region (→ point 1000), for the Middle East peace process (→ point 890), in the former Yugoslav Republic of Macedonia (→ point 879) and for the Stability Pact for South-Eastern Europe (→ point 865). The Council appointed a new EU special representative for the Middle East peace process (→ point 890) and for the southern Caucasus (→ point 920).

## Common foreign policy

**756.** *Decisions and joint actions* <sup>(2)</sup>. In 2003, the Council adopted new joint actions on a number of geographical areas:

- Joint Actions 2003/141/CFSP and 2003/188/CFSP amending the scope and adjusting the costs allowed for implementation of the European Union Police Mission (EUPOL) in Bosnia and Herzegovina, created in 2002 (→ point 876); Joint Action 2003/681/CFSP setting up the European Union Police Mission in the Former Yugoslav Republic of Macedonia (code-named ‘Proxima’) (→ point 879); Decision 2003/682/CFSP appointing Mr Bart D’Hooze to head the Planning Team; Decision 2003/562/CFSP appointing Ms Maryse Daviet as Head of Mission of the European Union Monitoring Mission in the western Balkans (→ point 866); Joint Action 2003/92/CFSP and Decision 2003/202/CFSP on the European Union military operation in the Former Yugoslav Republic of Macedonia (Operation ‘Concordia’) (→ point 879).
- Joint Action 2003/472/CFSP on the continuation of the European Union cooperation programme for non-proliferation and disarmament in the Russian Federation and Joint Action 2003/473/CFSP regarding a contribution of the European Union to the conflict settlement process in Georgia/South Ossetia (→ point 912);
- Joint Action 2003/423/CFSP and Decision 2003/432/CFSP on the European Union military operation in the Democratic Republic of the Congo (Operation ‘Artemis’) (→ point 1000).

The Council also adopted a number of joint actions extending, repealing or implementing existing joint actions <sup>(3)</sup>.

<sup>(1)</sup> Bull. 9-2003, point 1.6.11.

<sup>(2)</sup> A detailed description of all ongoing CFSP joint actions is also available on the Internet ([http://europa.eu.int/comm/external\\_relations/cfsp/fin/pja.htm](http://europa.eu.int/comm/external_relations/cfsp/fin/pja.htm)).

<sup>(3)</sup> The decisions and joint actions concerned are dealt with in the relevant geographical section.

757. *Decisions and common positions* <sup>(1)</sup>. In 2003, the Council defined common positions concerning certain geographical areas:

- Common Position 2003/297/CFSP and Decision 2003/461/CFSP on restrictive measures against Burma/Myanmar (→ point 953);
- Common Position 2003/280/CFSP in support of effective implementation of the mandate of the International Criminal Tribunal for the former Yugoslavia and Decision 2003/484/CFSP on the same subject (→ point 864);
- Common Position 2003/680/CFSP on the supply of certain equipment into the Democratic Republic of the Congo (→ point 1000); Common Position 2003/115/CFSP amending Common Position 2002/145/CFSP concerning restrictive measures in relation to Zimbabwe (→ point 1001); Common Positions 2003/365/CFSP, 2003/666/CFSP and 2003/771/CFSP on restrictive measures in relation to Liberia (→ point 998);
- Common Positions 2003/495/CFSP and 2003/735/CFSP on restrictive measures in relation to Iraq (→ point 900);
- Common Position 2003/468/CFSP on the control of arms brokering in which the Council called for controls on brokering activities and the adoption of a legal framework to help combat illicit brokering and Common Position 2003/805/CFSP on the universalisation and reinforcement of multilateral agreements in the field of non-proliferation of weapons of mass destruction and means of delivery (→ point 758);
- Common Position 2003/444/CFSP on the International Criminal Court, designed to support the effective functioning of the Court and to advance universal support for it (→ point 754).

The Council also defined a number of common positions extending, repealing or implementing existing common positions <sup>(2)</sup>.

758. *Other forms of action*. The EU also made representations to governments and in international forums regarding human rights and political dialogue with non-member States. On 10 September, the Commission reiterated its commitment to multilateralism and reaffirmed the benefits of close cooperation with the United Nations (→ point 766).

*Non-proliferation and disarmament*. On 14 April <sup>(3)</sup>, the Council stressed the importance of formulating an effective policy against proliferation of weapons of mass destruction and called for more work to be done on a comprehensive assessment of the threat posed by such weapons. On 16 June <sup>(4)</sup>, it approved a document setting out basic principles for an

(1) All CFSP common positions relating to a specific geographical area are dealt with under the relevant geographical heading in this chapter.

(2) The decisions and common positions concerned are dealt with in the relevant geographical section.

(3) Bull. 4-2003, point 1.6.5.

EU strategy and action plan on weapons of mass destruction. The Commission was particularly involved in the development of a non-proliferation clause for EU agreements with third countries, in the reinforcement of export control of dual use items (→ point 787) and in cooperative threat reduction projects in the Russian Federation and other NIS. On 21 July, the Council adopted Decision 2003/567/CFSP <sup>(1)</sup> with the intention of speeding up ratification of the Comprehensive Nuclear Test-Ban Treaty (CTBT) <sup>(2)</sup>. Parliament set out its position on North Korea's withdrawal from the Nuclear Non-Proliferation Treaty (→ point 937) and, on 19 June <sup>(3)</sup>, on implementation of the UN programme designed to combat the illegal trade in light weapons. In a resolution passed on 25 September <sup>(4)</sup>, Parliament reiterated the need for the EU to pursue a clear and effective common policy on arms exports and welcomed the Council's fourth annual report on application of the code of conduct for arms exports. On 9 December, it endorsed the draft European Union strategy against the proliferation of weapons of mass destruction. The European Council of 12 December <sup>(5)</sup> adopted this strategy which is a crucial element of the security strategy. On 5 December, the Council adopted its fifth annual report according to operative provision 8 of the European code of conduct on arms exports. The Council also adopted Decision 2003/543/CFSP implementing Joint Action 2002/589/CFSP, allocating EUR 700 000 to combating the destabilising accumulation and spread of small arms and light weapons in Latin America and the Caribbean (→ point 969); Decision 2003/276/CFSP on a European Union contribution to the destruction of ammunition in Albania (EUR 820 000) (→ point 875); Decision 2003/807/CFSP on a European Union contribution to the running costs of the Stability Pact/UNDP Regional Clearinghouse on Small Arms and Light Weapons in South-East Europe (EUR 300 000) (→ point 867); and Decision 2003/806/CFSP on a European Union contribution to combating the destabilising accumulation and spread of small arms and light weapons in Cambodia (EUR 1 436 953) (→ point 949).

*Anti-personnel mines.* In its resolution of 13 February <sup>(6)</sup> concerning the damage caused by unexploded ordnance and depleted-uranium ammunition, Parliament encouraged cooperation and coordination in the fight against anti-personnel mines and reaffirmed its commitment to the principle that arms should be used only in ways that complied with international law.

*Anti-terrorist measures.* On 5 June <sup>(7)</sup>, 27 June <sup>(8)</sup> and 12 September <sup>(9)</sup>, the Council updated Common Position 2001/931/CFSP and Regulation (EC) No 2580/2001 on

<sup>(4)</sup> Bull. 6-2003, point 1.6.16.

<sup>(1)</sup> OJ L 192, 31.7.2003; Bull. 7/8-2003, point 1.6.7.

<sup>(2)</sup> Common Position 1999/533/CFSP (OJ L 204, 4.8.1999; 1999 General Report, point 638).

<sup>(3)</sup> Bull. 6-2003, point 1.6.14.

<sup>(4)</sup> Bull. 9-2003, point 1.6.16.

<sup>(5)</sup> Bull. 12-2003, point 1.31.

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.12.

<sup>(7)</sup> Common Position 2003/402/CFSP (OJ L 139, 6.6.2003; Bull. 6-2003, point 1.4.31).

<sup>(8)</sup> Common Position 2003/482/CFSP (OJ L 160, 28.6.2003; Bull. 6-2003, point 1.4.32) and Decision 2003/480/EC (OJ L 160, 28.6.2003; Bull. 6-2003, point 1.4.33).

<sup>(9)</sup> Common Position 2003/651/CFSP and Decision 2003/646/EC (OJ L 229, 13.9.2003; Bull. 9-2003, point 1.4.13 and 1.4.14).

specific measures to combat terrorism so as to bring the list of persons, groups and entities which they covered up to date. It also spoke, on 2 October <sup>(1)</sup>, of the advisability of reinforcing safety measures in relation to the storage and transfer of explosives in the light of terrorist activities. As regards measures targeting the Al-Qaeda network, the Council adopted Common Position 2003/140/CFSP and various related measures (→ point 944), while the Commission amended the list of persons, groups and entities concerned. Other aspects of the fight against terrorism are dealt with in Section 1 (‘Area of freedom, security and justice’) of Chapter V (→ point 528).

*CFSP instruments.* On 8 December <sup>(2)</sup>, the Council adopted guidelines on the implementation and evaluation of sanctions with a view to their more effective use.

*Security of information.* The Council adopted a decision on 24 February <sup>(3)</sup> on the conclusion of agreement with the North Atlantic Treaty Organisation on the security of information.

## European security and defence policy (ESDP)

759. *European defence architecture.* On 10 April <sup>(4)</sup>, Parliament expressed its regret at the current divisions between Member States on crucial foreign policy issues and called for a new European defence architecture to be drawn up. It stressed the importance of taking a number of institutional and operational measures, such as reinforcing the EU’s military capacity, clarifying relations between NATO and the EU and inserting a ‘collective defence clause’ into the Treaty. On 19 and 20 May <sup>(5)</sup>, the Council reviewed the security and defence-related activities and welcomed the fact that the EU was capable, both in military and civil terms, of carrying out crisis-management operations and conflict-prevention measures. On 8 December <sup>(6)</sup>, the Council called for the modalities of rapid EU response to be defined. The European Council of 12 December <sup>(7)</sup> endorsed the regular report on the ESDP and welcomed the progress achieved in the development of military and civilian capabilities for crisis management. It also welcomed the Presidency’s document entitled ‘European defence: NATO/EU consultation, planning and operations’ and called for improvements in the preparation of European Union operations having recourse to NATO assets and capabilities, and for the establishment of a cell with civil/military components.

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<sup>(1)</sup> Bull. 10-2003, point 1.4.16.

<sup>(2)</sup> Bull. 12-2003, point 1.6.2.

<sup>(3)</sup> Decision 2003/211/CFSP (OJ L 80, 27.3.2003; Bull. 1/2-2003, point 1.6.13).

<sup>(4)</sup> Bull. 4-2003, point 1.6.4.

<sup>(5)</sup> Bull. 5-2003, point 1.6.6.

<sup>(6)</sup> Bull. 12-2003, point 1.6.14.

<sup>(7)</sup> Bull. 12-2003, point 1.32.

**760.** *Crisis management.* On 27 January <sup>(1)</sup>, the Council took stock of the challenges ahead in the area of conflict prevention and drew up recommendations for effective EU action. On 21 July <sup>(2)</sup>, it stated its position on the intensification of crisis-management cooperation between the European Union and the United Nations. It called for the creation of a practical framework for regular consultation and contact with the UN, in line with the conclusions of the European Council held in Göteborg <sup>(3)</sup>. On 29 September <sup>(4)</sup>, it welcomed the signing, in New York on 24 September, of a joint declaration to this effect, referring to the creation of just such information and consultation arrangements. On 21 July, it also restated its commitment to protecting civilians during crisis-management operations led by the EU and it called for an outline to be drawn up for a comprehensive and pragmatic approach to civilian protection. It welcomed the fact that the EU was capable of handling the military, civil-administration and conflict-prevention aspects of crisis management operations. On 22 September <sup>(5)</sup>, the Council also stated its position on the financing of shared costs for any future EU military operation and established the principle that there ought to be a permanent financial mechanism. On 16 June <sup>(6)</sup>, the Council welcomed the rapid launching by the EU of operation ‘Artemis’ in the Democratic Republic of the Congo (→ point 1000), which demonstrated the contribution the European security and defence policy could bring to crisis management in cooperation with the United Nations. Matters relating to the EU-led military operation ‘Concordia’ in the Former Yugoslav Republic of Macedonia (FYROM), the EU Monitoring Mission and the EU Police Mission in Bosnia and Herzegovina and Lithuania, Poland and Turkey’s contribution to forces under EU command in FYROM are dealt with in Section 7 (‘Relations with the western Balkans’) of this chapter (→ point 879). On 8 December <sup>(7)</sup>, the Council adopted a progress report on civilian aspects of crisis management in which it described the state of play in the development of non-military crisis management instruments, since the Helsinki European Council <sup>(8)</sup>. The European Council of 12 December <sup>(9)</sup> expressed satisfaction at the positive conduct of ESDP operations undertaken so far and confirmed the EU’s readiness for an ESDP-mission in Bosnia-Herzegovina, including a military component based on the agreed ‘Berlin Plus’ arrangements.

**761.** *Military Committee of the European Union.* On 19 May <sup>(10)</sup>, General Rolando Mosca Moschini was appointed Chairman of the Military Committee of the EU for a period of three years (2004–07).

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<sup>(1)</sup> Bull. 1/2-2003, point 1.6.91.

<sup>(2)</sup> Bull. 7/8-2003, point 1.6.9 and 1.6.10.

<sup>(3)</sup> 2001 General Report, point 1205.

<sup>(4)</sup> Bull. 9-2003, point 1.6.18.

<sup>(5)</sup> Bull. 9-2003, point 1.6.14.

<sup>(6)</sup> Bull. 6-2003, point 1.6.17.

<sup>(7)</sup> Bull. 12-2003, point 1.6.15.

<sup>(8)</sup> 2002 General Report, point 1022.

<sup>(9)</sup> Bull. 12-2003, point 1.32.

<sup>(10)</sup> Decision 2003/400/EC (OJ L 139, 6.6.2003; Bull. 5-2003, point 1.6.5).

**762.** *Defence equipment.* With a view to accomplishment of the ESDP, the Commission adopted a communication of 11 March on the European defence industry and related questions in which it sets out measures to strengthen the European defence equipment industry (→ point 316). On 20 November, Parliament adopted a resolution on the development of a strategy capable of ensuring the security of the European Union, while contributing to greater stability in its environment and in the security of supply at national and European levels (→ point 316). Matters relating to the suspension of customs duties for certain arms and military equipment are dealt with in Section 3 ('Common commercial policy') of this chapter (→ point 787).

**763.** *Military capabilities.* At its meeting on 19 and 20 May <sup>(1)</sup>, the Council examined the development of the EU's military capabilities and set out its position on the next phases of the European capability action plan <sup>(2)</sup> and on the possible creation of an intergovernmental defence capabilities development and acquisition agency.

## **Presidency and EU statements**

**764.** Table 15 lists in summary form and by geographical region, the positions set out in Presidency statements on behalf of the European Union and statements by the European Union on international political issues <sup>(3)</sup>.

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<sup>(1)</sup> Bull. 5-2003, point 1.6.7.

<sup>(2)</sup> 2001 General Report, point 826.

<sup>(3)</sup> The full text of the statements listed can be found in the *Bulletin of the European Union* for the month in which they were adopted. The central and east European countries associated with the European Union, the associated countries Cyprus, Malta and Turkey and the EFTA countries, members of the European Economic Area, aligned themselves with many of the Union's declarations in the CFSP framework and with a number of the common positions adopted by the Union.

**Table 15****Presidency and EU statements under the CFSP**

<b>Region/country/entity</b>	<b>Subject</b>	<b>Date</b>	<b>Bulletin reference</b>
<i>Candidate countries</i>			
Cyprus	Donors conference for Cyprus	14.1.2003	Bull. 1/2-2003, point 1.6.17
Turkey	Dissolution of the HADEP Party	14.3.2003	Bull. 3-2003, point 1.6.22
	Reform process	31.7.2003	Bull. 7/8-2003, point 1.6.39
	Terrorist attacks in Istanbul	20.11.2003	Bull. 11-2003, point 1.6.17
<i>Western Balkans</i>			
Bosnia and Herzegovina	Formation of the Council of Ministers	16.1.2003	Bull. 1/2-2003, point 1.6.15
	Public broadcasting system	21.10.2003	Bull. 10-2003, point 1.6.8
Serbia and Montenegro	Launching of direct dialogue between Belgrade and Pristina	7.10.2003	Bull. 10-2003, point 1.6.16
	Upcoming presidential elections in Serbia	7.11.2003	Bull. 11-2003, point 1.6.16
<i>Maghreb, Mashreq and the Middle East</i>			
Egypt	Acquittal of Saad Eddin Ibrahim and co-defendants	26.3.2003	Bull. 3-2003, point 1.6.14
Iraq	Iraqi crisis	4.2.2003	Bull. 1/2-2003, point 1.6.25
	Capture of Saddam Hussein	15.12.2003	Bull. 12-2003, point 1.6.25.
Israel and Palestinian territories	Violations of the blue line	12.8.2003	Bull. 7/8-2003, point 1.6.20
	Violence	14.8.2003	Bull. 7/8-2003, point 1.6.21
	Suicide attack in Jerusalem	20.8.2003	Bull. 7/8-2003, point 1.6.22
	Suicide attacks of 9 September	11.9.2003	Bull. 9-2003, point 1.6.24
	Suicide attack in Haifa	4.10.2003	Bull. 10-2003, point 1.6.12
	Initiatives by the Israeli and Palestinian civil societies	2.12.2003	Bull. 12-2003, point 1.6.26.
Morocco	Release of prisoners of war by the Polisario Front	5.3.2003	Bull. 3-2003, point 1.6.16
Qatar	New constitution	13.5.2003	Bull. 5-2003, point 1.6.17
Yemen	Elections	12.5.2003	Bull. 5-2003, point 1.6.20

Region/country/entity	Subject	Date	Bulletin reference
<i>Independent States of the former Soviet Union</i>			
Armenia	Presidential elections	20.3.2003	Bull. 3-2003, point 1.6.10
	Legislative elections	22.6.2003	Bull. 6-2003, point 1.6.23
	Abolition of the death penalty and ratification of Protocol 6 to the European Convention on Human Rights	23.9.2003	Bull. 9-2003, point 1.6.19
Azerbaijan	Presidential elections	17.10.2003	Bull. 10-2003, point 1.6.6
Belarus	Media situation	25.6.2003	Bull. 6-2003, point 1.6.24
Georgia	Political situation	24.11.2003	Bull. 11-2003, point 1.6.14
	Conduct of elections	14.11.2003	Bull. 11-2003, point 1.6.13
Kazakhstan	Trial of Sergei Duvanov	14.2.2003	Bull. 1/2-2003, point 1.6.26
Moldova	Transnistrian conflict	29.1.2003	Bull. 1/2-2003, point 1.6.28
	Restrictive measures against the leadership of the Transnistrian region	7.3.2003	Bull. 3-2003, point 1.6.17
Russia	Kidnapping of Dutch national, Arjan Erkel	31.1.2003	Bull. 1/2-2003, point 1.6.30
	Media situation	7.7.2003	Bull. 7/8-2003, point 1.6.33
	Elections in Chechnya	26.9.2003	Bull. 9-2003, point 1.6.26
	Presidential elections in Chechnya	8.10.2003	Bull. 10-2003, point 1.6.14
Turkmenistan	Moscow mechanism	20.1.2003	Bull. 1/2-2003, point 1.6.34
Ukraine	Media situation and Gongadze case	16.9.2003	Bull. 9-2003, point 1.6.28
	Ukraine–Russia dispute over Tuzla island and the Kerch strait	20.11.2003	Bull. 11-2003, point 1.6.18
<i>United States, Japan and other industrialised countries</i>			
North Korea	North Korea's nuclear activities	9.1.2003	Bull. 1/2-2003, point 1.6.19
	Resolution of the International Atomic Energy Agency on North Korea	30.1.2003	Bull. 1/2-2003, point 1.6.140.
	Withdrawal from the Treaty on the Non-Proliferation of Nuclear Weapons	13.1.2003	Bull. 1/2-2003, point 1.6.20
United States	Commuting of death sentences for all prisoners on death row in Illinois	17.1.2003	Bull. 1/2-2003, point 1.6.24
	September 11 terrorist attacks	11.9.2003	Bull. 9-2003, point 1.6.32
<i>Asia</i>			
Afghanistan	Restrictive measures against Osama bin Laden	6.3.2003	Bull. 3-2003, point 1.6.9
	Murder of a delegate of the International Committee of the Red Cross	8.4.2003	Bull. 4-2003, point 1.6.7
	Customs receipts	3.6.2003	Bull. 6-2003, point 1.6.22

Region/country/entity	Subject	Date	Bulletin reference
China	Opening of the Loya Jirga in Kabul	13.12.2003	Bull. 12-2003, point 1.6.22
	Execution of Lobsang Dhondup	5.2.2003	Bull. 1/2-2003, point 1.6.16
	Hong Kong's Basic Law	15.4.2003	Bull. 4-2003, point 1.6.10
India and Pakistan	Article 23 of Hong Kong's Basic Law	16.7.2003	Bull. 7/8-2003, point 1.6.16
	Political situation	8.5.2003	Bull. 5-2003, point 1.6.12
Malaysia	Datuk Seri Anwar Ibrahim's case	7.5.2003	Bull. 5-2003, point 1.6.13
	Release of people detained under the Internal Security Act	30.6.2003	Bull. 6-2003, point 1.6.29
	Release of detainees held under the Internal Security Act	1.7.2003	Bull. 7/8-2003, point 1.6.26
Myanmar	Imprisonment and arrest — Aung San Suu Kyi	18.2.2003	Bull. 1/2-2003, point 1.6.29
	Myanmar and acceding countries	13.5.2003	Bull. 5-2003, point 1.6.14
	Common Position 2003/297/CFSP	30.6.2003	Bull. 6-2003, point 1.6.30
	Construction of an observation tower	7.8.2003	Bull. 7/8-2003, point 1.6.27
	Aung San Suu Kyi	5.9.2003	Bull. 9-2003, point 1.6.25
Nepal	Negotiations between the Nepalese government and the Maoists	16.5.2003	Bull. 5-2003, point 1.6.15
	Deportation of 18 Tibetan asylum seekers	13.6.2003	Bull. 6-2003, point 1.6.31
	Bhutanese refugees	18.7.2003	Bull. 7/8-2003, point 1.6.28
Philippines	Military mutiny in Manila	1.8.2003	Bull. 7/8-2003, point 1.6.29
	Ceasefire agreement with the MILF	29.8.2003	Bull. 7/8-2003, point 1.6.30
Sri Lanka	Peace negotiations	30.4.2003	Bull. 4-2003, point 1.6.15
	Peace negotiations	14.5.2003	Bull. 5-2003, point 1.6.18
East Timor	Ad hoc tribunal for human rights violations	6.8.2003	Bull. 7/8-2003, point 1.6.37
Vietnam	Pham Hong Son	9.9.2003	Bull. 9-2003, point 1.6.30
<i>Latin America and the Caribbean</i>			
Argentina	Presidential elections	19.5.2003	Bull. 5-2003, point 1.6.10
Bolivia	Situation and violence	20.2.2003	Bull. 1/2-2003, point 1.6.14
	Appointment of the new president	11.10.2003	Bull. 10-2003, point 1.6.7
Colombia	Terrorist attack	12.2.2003	Bull. 1/2-2003, point 1.6.18
	Murder of kidnapped public figures	7.5.2003	Bull. 5-2003, point 1.6.11
	Terrorist bombing in Florencia	1.10.2003	Bull. 10-2003, point 1.6.10

<b>Region/country/entity</b>	<b>Subject</b>	<b>Date</b>	<b>Bulletin reference</b>
Cuba	Arrest of opposition members	26.3.2003	Bull. 3-2003, point 1.6.13
	Human rights	5.6.2003	Bull. 6-2003, point 1.6.25
Ecuador	Inauguration of new President, Lucio Gutierrez	27.1.2003	Bull. 1/2-2003, point 1.6.23
Guatemala	Electoral observatory mission	22.8.2003	Bull. 7/8-2003, point 1.6.17
Haiti	Political situation	7.3.2003	Bull. 3-2003, point 1.6.15
	Political situation	10.7.2003	Bull. 7/8-2003, point 1.6.18
	Political situation	16.9.2003	Bull. 9-2003, point 1.6.23
Solomon Islands	Developing situation	28.7.2003	Bull. 7/8-2003, point 1.6.19
Mexico	Earthquake	24.1.2003	Bull. 1/2-2003, point 1.6.27
Peru	Truth and Reconciliation Commission final report	23.12.2003	Bull. 12-2003, point 1.6.29
Venezuela	Group of friends of Venezuela	21.1.2003	Bull. 1/2-2003, point 1.6.35
	Signing of a political agreement	5.6.2003	Bull. 6-2003, point 1.6.34
	Implementation of political agreement	10.9.2003	Bull. 9-2003, point 1.6.29
	Collection of signatures for referenda	22.12.2003	Bull. 12-2003, point 1.6.33
<i>West Africa</i>			
Côte d'Ivoire	Implementation of the Linas Marcoussis Agreement	20.2.2003	Bull. 1/2-2003, point 1.6.22
	Political situation	22.9.2003	Bull. 9-2003, point 1.6.20
	Murder of RFI reporter Jean Hélène	27.10.2003	Bull. 10-2003, point 1.6.11
	Latest developments	9.12.2003	Bull. 12-2003, point 1.6.24
Guinea-Bissau	Democracy and governance	18.6.2003	Bull. 6-2003, point 1.6.26
	Coup d'état	18.9.2003	Bull. 9-2003, point 1.6.22
Liberia	Humanitarian situation	14.4.2003	Bull. 4-2003, point 1.6.11
	Political situation	13.6.2003	Bull. 6-2003, point 1.6.27
	Ceasefire	23.6.2003	Bull. 6-2003, point 1.6.28
	Peace process	21.7.2003	Bull. 7/8-2003, point 1.6.23
	Peace process	28.7.2003	Bull. 7/8-2003, point 1.6.24
Mauritania	Peace process	22.8.2003	Bull. 7/8-2003, point 1.6.25
	Presidential elections	23.11.2003	Bull. 11-2003, point 1.6.15

<b>Region/country/entity</b>	<b>Subject</b>	<b>Date</b>	<b>Bulletin reference</b>
Nigeria	Elections	14.5.2003	Bull. 5-2003, point 1.6.16
São Tomé and Príncipe	Military rebellion	18.7.2003	Bull. 7/8-2003, point 1.6.34
Sierra Leone	First action of the Special Court of Sierra Leone	25.3.2003	Bull. 3-2003, point 1.6.20
Togo	Electoral processes	12.1.2003	Bull. 1/2-2003, point 1.6.33
	Presidential elections	15.5.2003	Bull. 5-2003, point 1.6.19
	Presidential elections	4.7.2003	Bull. 7/8-2003, point 1.6.38
<i>East Africa</i>			
Ethiopia/Eritrea	Peace process	23.9.2003	Bull. 9-2003, point 1.6.21
Somalia	Violations of the cessation of hostilities	6.3.2003	Bull. 3-2003, point 1.6.21
	Violations of the ceasefire agreement	23.6.2003	Bull. 6-2003, point 1.6.33
	Peace process	15.7.2003	Bull. 7/8-2003, point 1.6.35
	National reconciliation process	16.12.2003	Bull. 12-2003, point 1.6.30
Sudan	Death and amputation sentences	10.1.2003	Bull. 1/2-2003, point 1.6.31
	Death sentences	15.1.2003	Bull. 1/2-2003, point 1.6.32
	Peace process	8.8.2003	Bull. 7/8-2003, point 1.6.36
	Security arrangements	25.9.2003	Bull. 9-2003, point 1.6.27
	Situation in Darfour	31.12.2003	Bull. 12-2003, point 1.6.31
<i>Central Africa</i>			
Burundi	National Council for the Defence of Democracy-Forces for the Defence of Democracy (CNDD-FDD)	4.3.2003	Bull. 3-2003, point 1.6.11
	Judicial follow-up to the Itaba massacre	6.3.2003	Bull. 3-2003, point 1.6.12
	Handing-over of presidential powers	9.4.2003	Bull. 4-2003, point 1.6.8
	Shelling by the CNDD-FDD	17.4.2003	Bull. 4-2003, point 1.6.9
	Military attacks in Bujumbura	10.7.2003	Bull. 7/8-2003, point 1.6.15
	Political agreement signed in Pretoria on 8 October between the Burundian government and the FDD movement	13.10.2003	Bull. 10-2003, point 1.6.9
	Peace agreement between the Transitional Government of Burundi and the FDD	19.11.2003	Bull. 11-2003, point 1.6.12
	Assassination of Archbishop Michael Aidan Courtney	31.12.2003	Bull. 12-2003, point 1.6.23.

<b>Region/country/entity</b>	<b>Subject</b>	<b>Date</b>	<b>Bulletin reference</b>
Uganda	Ceasefire declarations	21.3.2003	Bull. 3-2003, point 1.6.18
Central African Republic	Coup d'état of 15 March 2003	21.3.2003	Bull. 3-2003, point 1.6.19
Democratic Republic of Congo	Inter-Congolese dialogue	19.4.2003	Bull. 4-2003, point 1.6.12
	Massacres in Drodro	14.4.2003	Bull. 4-2003, point 1.6.13
	Situation in the east of the Democratic Republic of the Congo	27.6.2003	Bull. 6-2003, point 1.6.32
	Formation of transitional government	2.7.2003	Bull. 7/8-2003, point 1.6.31
	Massacres in Ituri	13.10.2003	Bull. 10-2003, point 1.6.13
Democratic Republic of the Congo and Great Lakes region	Withdrawal of the Ugandan People's Defence Forces from the Ituri region	30.4.2003	Bull. 4-2003, point 1.6.14
Rwanda	Presidential elections	29.8.2003	Bull. 7/8-2003, point 1.6.32
	Parliamentary elections	13.10.2003	Bull. 10-2003, point 1.6.15
Chad	Peace agreement	23.12.2003	Bull. 12-2003, point 1.6.32
<i>Southern Africa</i>			
Zimbabwe	Political situation	20.2.2003	Bull. 1/2-2003, point 1.6.36
	Crackdown on the opposition	28.3.2003	Bull. 3-2003, point 1.6.23
	Restrictive measures	9.4.2003	Bull. 4-2003, point 1.6.16
	Political situation	3.6.2003	Bull. 6-2003, point 1.6.35
	Press freedom	18.9.2003	Bull. 9-2003, point 1.6.31
	Political situation	28.11.2003	Bull. 11-2003, point 1.6.19
<i>General matters</i>			
Death penalty	Entry into force of Protocol 13 to the European Convention on Human Rights and Fundamental Freedoms	14.7.2003	Bull. 7/8-2003, point 1.6.40
	First World Day against the Death Penalty	10.10.2003	Bull. 10-2003, point 1.6.17
International Criminal Court	Inauguration of the International Criminal Court	10.3.2003	Bull. 3-2003, point 1.6.24
	Common Position 2003/444/CFSP	23.6.2003	Bull. 6-2003, point 1.6.36
International criminal tribunal for the former Yugoslavia	Support for the effective implementation of the ICTY's mandate	23.4.2003	Bull. 4-2003, point 1.6.17
Islamic Conference	Dr Mahathir's comments at the Islamic Summit Conference	16.10.2003	Bull. 10-2003, point 1.6.18

*Section 2***International organisations and conferences****United Nations and specialised agencies <sup>(1)</sup>**

**765.** *United Nations General Assembly.* At the opening of the 58th session of the General Assembly <sup>(2)</sup> in New York on 16 September <sup>(3)</sup>, Mr Silvio Berlusconi, Italian Prime Minister and President of the Council, issued a statement on behalf of the European Union. He focused in particular on the EU's contribution to an international order based on effective multilateral institutions, the fight against terrorism, the proliferation of weapons of mass destruction, the International Criminal Court, the abolition of the death penalty, crisis management and regional issues. Mr Chris Patten, Member of the Commission, took part in the Assembly and attended several political meetings on the sidelines of the session, from 23 to 26 September <sup>(4)</sup>. Mr Pascal Lamy, Member of the Commission, also took part in the Assembly on 31 October.

**766.** *Cooperation with the United Nations.* Given the pivotal role of the United Nations in the multilateral system, the Commission reaffirmed, on 10 September <sup>(5)</sup>, its commitment to multilateralism, and recommended certain practical measures aimed at a more fruitful EU contribution to the UN system. The Council adopted conclusions in this respect on 8 December <sup>(6)</sup>. The European Council, which met in Brussels on 12 December <sup>(7)</sup>, welcomed these guidelines and called for their implementation. Moreover, the Council expressed its opinion on 29 September on cooperation with the UN on crisis management (→ point 760).

**767.** *International Monetary Fund (IMF) <sup>(8)</sup> and World Bank Group <sup>(9)</sup>.* The Commission took part in the annual meeting of the IMF and the World Bank in Dubai (United Arab Emirates) on 23 and 24 September. Mr Pedro Solbes Mira, Member of the Commission, attended the meeting of the International Monetary and Financial Committee on 12 April.

The spring meeting of the Development Committee took place on 13 April in Washington. The meeting addressed the challenges of the global development agenda in an increasingly uncertain global environment. It emphasised the need for policies carried out in partnership by both developed and developing countries to generate stronger and more inclusive

<sup>(1)</sup> <http://www.un.org/english/index.shtml>.

<sup>(2)</sup> <http://www.un.org/ga/58/>. Previous meeting: 2002 General Report, point 763.

<sup>(3)</sup> Bull. 9-2003, point 1.6.34.

<sup>(4)</sup> Bull. 9-2003, point 1.6.35.

<sup>(5)</sup> COM(2003) 526; Bull. 9-2003, point 1.6.33.

<sup>(6)</sup> Bull. 12-2003, point 1.6.35.

<sup>(7)</sup> Bull. 12-2003, point 1.33.

<sup>(8)</sup> <http://www.imf.org>.

<sup>(9)</sup> <http://www.worldbank.org/>.

economic growth. The Commission's written statement stressed the need for donor harmonisation with regard to country-owned strategies and budget timetables, and the move to budget and sector support where possible. On 22 September, Mr Nielson represented the Commission as an observer at the Development Committee's meeting in Dubai, which he was invited to address. The meeting, held shortly after the failure of the Cancún WTO ministerial meeting (→ point 781), took stock of the lack of progress on trade, and focused on implementation issues of the Monterrey consensus <sup>(1)</sup>, in particular on possibilities of scaling up aid to countries with good policies. In that context, the Commission pressed for increases in the volume of aid as well as for improvements in the quality of aid programmes. More fundamental proposals than those drawn up to date and a decision on the strengthening of the role of developing countries in the international financial institutions were postponed until the 2004 annual meetings.

World Bank President James D. Wolfensohn visited Brussels on 19 May, where he met among others with Commissioners Patten and Nielson, the CFSP High Representative Javier Solana and the members of the European Parliament Committee on Development and Cooperation.

**768.** *World Trade Organisation (WTO)*. Details of the activities of the WTO can be found in Section 3 ('Common commercial policy') of this chapter (→ points 781 to 784).

**769.** *World Intellectual Property Organisation (WIPO)* <sup>(2)</sup>. The EC, represented by the Commission and the Member States, continued to participate actively in the activities of WIPO, in line with the work carried out in 2002 <sup>(3)</sup>.

**770.** *International Labour Organisation (ILO)* <sup>(4)</sup>. The Commission organised a high-level seminar with the World Commission on the Social Dimension of Globalisation in Brussels on 3 and 4 February, attended by Commissioner Lamy. The Commission gave an account of the seminar to the ILO Working Group on the Social Dimension of Globalisation, held on 24 March.

**771.** *United Nations Economic Commission for Europe (UNECE)*. The 58th annual meeting of the United Nations Economic Commission for Europe took place in Geneva from 4 to 6 March. The main items on the agenda were: economic developments in Europe, the spring seminar on sustainable development in Europe, the UNECE reform and main policy directions of its work, and the follow-up to regional preparations for the World Summit on the Information Society (→ point 400) and for the World Assembly on Ageing. UNECE also organised a programme of sectoral workshops in the framework of its wider Europe project, covering topics such as energy, trade, transport and the environment. Senior officials from the European Commission took part in these events.

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<sup>(1)</sup> 2002 General Report, point 810.

<sup>(2)</sup> <http://www.wipo.org>.

<sup>(3)</sup> 2002 General Report, point 767.

<sup>(4)</sup> <http://www.ilo.org/public/english/index.htm>.

772. *Development cooperation.* Information on the activities of the international development cooperation bodies can be found in Section 4 ('Development cooperation') of this chapter (→ points 841 to 843 and 846).

## **Organisation for Security and Cooperation in Europe (OSCE) <sup>(1)</sup>**

773. *Ministerial Council.* The Ministerial Council meeting on 1 and 2 December brought together in Maastricht <sup>(2)</sup> the foreign ministers of the 55 participating States. Representatives of the European Union (notably the Italian Presidency, represented by Foreign Minister Franco Frattini, and the European Commission, represented by Mr Patten), the OSCE's Mediterranean partners (Algeria, Egypt, Israel, Jordan, Morocco and Tunisia), the partners for cooperation (South Korea, Japan and Thailand), UN agencies and other international organisations and regional groupings also attended. The meeting ended with the adoption of an OSCE strategy to address new threats to security and stability in the 21<sup>st</sup> century, and a new strategy for the economic and environmental dimension. A series of decisions, giving the OSCE a full programme for 2004, was also adopted. The decisions cover its three dimensions, namely the political/military dimension, the economic and environmental dimension and the human rights and democratisation dimension. Bulgaria will hold the Presidency in 2004.

774. *Ministerial meetings.* Two meetings between the EU ministerial troika and the OSCE ministerial troika took place in Brussels on 24 February and 29 September <sup>(3)</sup> respectively. At both meetings, the parties exchanged views on issues of common interest, such as Moldova/Transnistria, Belarus, Chechnya, the Former Yugoslav Republic of Macedonia (FYROM), the southern Caucasus, trafficking in human beings, ESDP operations in the western Balkans and strengthening EU–OSCE cooperation.

775. *EU–OSCE cooperation.* On 17 November <sup>(4)</sup>, the Council adopted conclusions on EU–OSCE cooperation on conflict prevention, crisis management and post-conflict rehabilitation.

## **Council of Europe <sup>(5)</sup>**

776. The second annual meeting of senior officials of the European Commission and the Council of Europe on joint cooperation and partnership was held in Brussels on 18 May. The two sides exchanged information on recently adopted measures and programming documents relevant to their joint cooperation. They also adopted a first annual report on

<sup>(1)</sup> <http://www.osce.org>.

<sup>(2)</sup> Bull. 12-2003, point 1.6.37.

<sup>(3)</sup> Bull. 9-2003, point 1.6.38.

<sup>(4)</sup> Bull. 11-2003, point 1.6.20.

<sup>(5)</sup> <http://www.coe.int/DefaultEN.asp>.

cooperation established in the framework of the joint declaration on partnership and cooperation <sup>(1)</sup>.

The 19th quadripartite meeting between the European Commission and the Council of Europe was held in Luxembourg on 17 June <sup>(2)</sup>. The participants focused on the preparation of the third summit of the Council of Europe, the insertion into the text of the Convention on the Future of Europe of a clause on the European Convention on Human Rights and the establishment of appropriate cooperation with the Council of Europe (→ point 2), and migration issues. The importance of the joint Council of Europe/European Commission programmes was also stressed, as was the relevance of Council of Europe norms and standards as benchmarks for the implementation of the EU strategy in the western Balkans (→ point 862).

777. *Ministerial meetings.* The EC, represented by the Commission, participated in the 112th and 113th meetings of the Committee of Ministers. The former, which took place on 14 and 15 May in Strasbourg, dealt with the future role of the Council of Europe in building a Europe without dividing lines, and the means of guaranteeing the effectiveness of the Court of Human Rights. The latter took place on 5 and 6 November, 2003 in Chisinau (Moldova) and focused on the evolving relationship between the various European organisations and the possibility of holding a summit of the Council of Europe in May 2005. The Commission was represented by Mr Vitorino at the 25th annual conference of Ministers of Justice which took place in Sofia, Bulgaria, on 10 October. The meeting focused on efforts to be made to combat terrorism more effectively, whilst upholding the rule of law and respecting human rights and fundamental freedoms.

### **Organisation for Economic Cooperation and Development (OECD) <sup>(3)</sup>**

778. *Ministerial session.* The annual meeting of the ministers of the OECD countries was held in Paris on 29 and 30 April <sup>(4)</sup>. Talks focused on the economic situation, development problems, investment and trade, and on measures to sustain confidence and strengthen growth over the next 10 years. Commissioners Lamy and Solbes Mira attended the meeting.

### **European Bank for Reconstruction and Development (EBRD)**

779. Details of the activities of the EBRD can be found in Section 1 ('Economic and monetary policy') of Chapter IV (→ points 137 and 138).

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<sup>(1)</sup> 2001 General Report, point 872.

<sup>(2)</sup> Bull. 6-2003, point 1.6.37. Previous meeting: 2002 General Report, point 776.

<sup>(3)</sup> <http://www.oecd.org>.

<sup>(4)</sup> Bull. 4-2003, point 1.6.18. Previous meeting: 2002 General Report, point 777.

*Section 3***Common commercial policy (1)****Overview**

780. *The lack of agreement at the ministerial conference of the World Trade Organisation (WTO) held in Cancún in the framework of the Doha Development Agenda did not weaken the European Community's will to develop trade rules further within a multilateral framework. Despite this setback, progress was made, in particular with an agreement on generic medicines enabling the poorest countries to gain access to such medicines at affordable prices. The dispute on trade in steel between the Community and the US was settled with the aid of decisions by WTO bodies in the Community's favour. And the entry into service of the new computerised transit system in all of the Member States marked not only an important step forward for the smooth operation of the customs union but an important trade facilitation measure.*

**World Trade Organisation (WTO) (2)**

781. *Cancún ministerial conference (3).* The fifth WTO ministerial conference was held in Cancún from 10 to 14 September (4), and was attended by Mr Lamy and Mr Fischler. The aim was to take stock and reach the political decisions needed to pursue further negotiations under the Doha Development Agenda (5), particularly in the areas of agriculture; access to markets for non-agricultural products; trade in services; development, and the 'Singapore issues': trade and investment, trade and competition policy, transparency of government procurement and trade simplification. The conference failed to reach an agreement or common position on any issue, delaying the negotiations and leaving it up to permanent representatives of the WTO members in Geneva to continue the discussion.

Ahead of the conference, Parliament, on 3 July (6), and the Council on 21 July (7), underlined their support for the Commission's approach and stressed the Community's priorities in these negotiations, notably: further trade liberalisation and strengthening of the rules-based system of the WTO, in order to aid economic growth, employment and sustainable development; a focus on measures to assist the growth and integration of developing countries, particularly the poorest, and greater openness and transparency in the WTO. The

(1) [http://europa.eu.int/comm/trade/index\\_en.htm](http://europa.eu.int/comm/trade/index_en.htm).

(2) <http://www.wto.org/index.htm>.

(3) [http://www.wto.org/english/thewto\\_e/minist\\_e/min03\\_e/min03\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min03_e/min03_e.htm).

(4) Bull. 9-2003, point 1.6.40.

(5) 2001 General Report, point 876, Internet ([http://www.wto.org/english/tratop\\_e/dda\\_e/dda\\_e.htm](http://www.wto.org/english/tratop_e/dda_e/dda_e.htm)).

(6) Bull. 7/8-2003, point 1.6.43.

(7) Bull. 7/8-2003, point 1.6.44.

European Economic and Social Committee supported the latter two points in an opinion of 26 March setting out proposals to give the WTO a human face <sup>(1)</sup>.

Following a request from the European Council of 16 and 17 October <sup>(2)</sup>, the Commission adopted a communication on 26 November on reviving the Doha Development Agenda negotiations <sup>(3)</sup>. After assessing the state of play, it outlines how the EU could adjust its positions so as to better relaunch the negotiations. Welcoming the communication in its conclusions of 8 December <sup>(4)</sup>, the Council reaffirmed its commitment to the multilateral approach to trade policy and to relaunching the Doha Development Agenda.

The Cancún ministerial conference welcomed Cambodia and Nepal as the first least-developed countries to join the WTO since its establishment. The Council endorsed these countries' membership on 5 September <sup>(5)</sup>. The EU continued its efforts to advance the accession of other countries such as Algeria, Bosnia and Herzegovina, Kazakhstan, Lebanon, Russia, Saudi Arabia, Tonga, Ukraine and Vietnam.

**782. *Follow-up to the Doha ministerial declaration.*** Concerning the agreement on TRIPS (trade-related aspects of intellectual property rights) and public health, Parliament adopted a resolution on 12 February on the authorisation of generic medicines under the WTO <sup>(6)</sup>. On 30 August, the General Council of the WTO took a decision enabling compulsory licences to be issued, without the authorisation of the patent holders, for the export of drugs at more affordable prices to the poorest countries unable to manufacture them. This agreement was welcomed by Parliament in a resolution of 25 September <sup>(7)</sup>.

In a resolution adopted on 12 March <sup>(8)</sup>, Parliament commented on the GATS (General Agreement on Trade and Services). It supported the Commission in its desire to keep the health, education and audiovisual sectors outside the scope of services liberalisation. It stressed the importance of cultural diversity, the need to give special treatment to sensitive sectors in the developing countries and the concern to uphold the principle of universal service obligations.

On agricultural issues, the Committee of the Regions gave its opinion on 9 April and the European Parliament on 12 July (→ point 474).

**783. *Dispute settlement.*** In 2003, the Community was actively involved in 37 WTO disputes <sup>(9)</sup>: in 17 of these cases the Community was the plaintiff while in the other 20 it

<sup>(1)</sup> OJ C 133, 6.6.2003; Bull. 3-2003, point 1.6.28.

<sup>(2)</sup> Bull. 10-2003, point 1.21.

<sup>(3)</sup> COM(2003) 734; Bull. 11-2003, point 1.6.22.

<sup>(4)</sup> Bull. 12-2003, point 1.6.39.

<sup>(5)</sup> Bull. 9-2003, point 1.6.42.

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.40.

<sup>(7)</sup> Bull. 9-2003, point 1.6.41.

<sup>(8)</sup> Bull. 3-2003, point 1.6.27.

<sup>(9)</sup> Defensive cases brought against the European Community by more than one complainant are counted as single cases.

was the target of a complaint. These cases relate to the Community's relations with eight of its trading partners (Argentina, Australia, Brazil, Canada, India, South Korea, Thailand and the US).

Dispute settlement activities involving the Community and the US continue to represent the vast majority of such cases; the Community has presently 16 active WTO disputes with the US. In 12 of these cases the Community is the complaining party; in only four cases is it the defendant (GMOs, hormones, steel safeguards, and trademarks and geographical indications). Regarding the substance of the disputes, eight concern the misuse of trade defence instruments (anti-dumping duties, countervailing duties and safeguards) while four are subsidy-related issues.

On 7 May, in the FSC case (United States: tax treatment for foreign sales corporations/tax relief on exports) <sup>(1)</sup>, the WTO endorsed the EU request for an authorisation to impose countermeasures up to the level of the estimated annual US subsidy (USD 4 billion). Furthermore, in the face of US inaction, on 5 November the Commission adopted a proposal to impose countermeasures on selected US products as from 1 March 2004 <sup>(2)</sup>. On 8 December, the Council adopted a regulation imposing the measures <sup>(3)</sup>. Another difficult dispute with the US concerns its 1916 Antidumping Act <sup>(4)</sup>. On 15 December, the Council adopted a regulation protecting against the effects of the application of the United States Anti-Dumping Act of 1916, and actions based thereon or resulting therefrom <sup>(5)</sup>. Another important category of disputes relates to intellectual property rights (trademarks and geographical indications, copyrights and patents). Finally, technical barriers to trade and animal/plant health measures represent a sensitive category.

In terms of economic sectors covered, almost half of the Community's 'offensive' cases relate to the steel sector. The dispute settlement procedure on safeguard measures imposed by the US <sup>(6)</sup> on steel imports resulted in the panel reports of 11 July 2003 ruling that all the US measures were in breach of WTO rules. The Appellate Body report of 10 November 2003 confirmed that the US had failed to meet the prerequisite conditions to take safeguard action and that all the US steel safeguards were deprived of a legal basis. On 4 December, the US announced the complete and immediate withdrawal of its steel safeguard measures. Consequently, on 12 December the Council repealed <sup>(7)</sup> Regulation (EC) No 1031/2002 <sup>(8)</sup>, which provided for countermeasures against the US. The countermeasures were to enter into force following the WTO's adoption of the reports by the panel and the Appellate Body if the US failed to implement them immediately.

<sup>(1)</sup> 2000 General Report, points 813 and 2002 General Report, point 781.

<sup>(2)</sup> COM(2003) 661; Bull. 11-2003, point 1.6.34.

<sup>(3)</sup> Regulation (EC) No 2193/2003 (OJ L 328, 17.12.2003; Bull. 12-2003, point 1.6.60).

<sup>(4)</sup> 2000 General Report, point 813.

<sup>(5)</sup> Regulation (EC) No 2238/2003 (OJ L 333, 20.12.2003; Bull. 12-2003, point 1.6.60).

<sup>(6)</sup> 2002 General Report, point 801.

<sup>(7)</sup> Regulation (EC) No 2168/2003 (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.40).

<sup>(8)</sup> OJ L 157, 15.6.2002.

**784. *Regional trade activities.*** Negotiations were held at ministerial and technical level with Mercosur (bi-regional association agreement), the Cooperation Council for the Arab States of the Gulf (free trade agreement), the ACP States (concluding the first phase of negotiations on economic partnership agreements, launching the second phase with the west Africa and central Africa regions), Syria (Euro-Mediterranean association agreement) and Albania (stabilisation and association agreement). The EU continued discussions with ASEAN on TREATI (the Trans-regional EU–ASEAN trade initiative) and with Canada on the Trade and Investment Enhancement Agreement (TIEA). In a resolution of 3 June <sup>(1)</sup>, Parliament stressed the importance of regional free trade areas, not only for increasing trade but also in fostering geopolitical and strategic prospects. Pending its final ratification by Member States' Parliaments, the EU provisionally implemented part of the association agreement concluded with Chile (→ point 974), more specifically the trade and trade-related chapters.

### **World Customs Organisation (WCO) <sup>(2)</sup>**

**785. *Convention on the simplification and harmonisation of customs procedures.*** By Council decision of 17 March <sup>(3)</sup>, the European Community became a party to the revised Kyoto Convention. This protocol of amendment to the Convention will make for greater efficiency of customs administrations thanks notably to more transparency, increased use of information technology and risk assessment.

### **Operation of the customs union, customs cooperation and mutual assistance**

**786. *Operation of the customs union.*** On 6 February, Parliament and the Council adopted the 'Customs 2007' programme <sup>(4)</sup> (Table I). In keeping with 'Customs 2000' <sup>(5)</sup> and 'Customs 2002' <sup>(6)</sup>, this programme seeks to improve customs controls and trade facilitation, partly by making better use of computers. The Commission set out its customs strategy for the coming years in a package adopted on 24 July, comprising two communications <sup>(7)</sup> (one on a simple and paperless environment for customs and trade, the other on the role of customs in the integrated management of external borders) and a proposal to amend the Community customs code <sup>(8)</sup> (Table I). The package is aimed at improving the safety of goods at external borders while at the same time facilitating formalities and customs procedures for legitimate traders, particularly by boosting computerisation. In a resolution of 5 December on creating a simple and paperless

<sup>(1)</sup> Bull. 6-2003, point 1.6.39.

<sup>(2)</sup> <http://www.wcoomd.org/ie/index.html>.

<sup>(3)</sup> Decision 2003/231/EC (OJ L 86, 3.4.2003; Bull. 3-2003, point 1.6.30).

<sup>(4)</sup> [http://europa.eu.int/comm/taxation\\_customs/customs/c2007/customs\\_2007\\_0\\_en.htm](http://europa.eu.int/comm/taxation_customs/customs/c2007/customs_2007_0_en.htm).

<sup>(5)</sup> OJ L 33, 4.2.1997.

<sup>(6)</sup> OJ L 13, 19.1.2000. Commission Report on its implementation: COM(2003) 672; Bull. 11-2003, point 1.6.24.

<sup>(7)</sup> COM(2003) 452; Bull. 7/8-2003, point 1.6.47.

<sup>(8)</sup> Regulation (EEC) No 2913/92 (OJ L 302, 19.10.1992).

environment for customs and trade <sup>(1)</sup>, the Council invited Member States to ensure that customs systems were interoperable. The Commission also adopted, on 20 March, a communication <sup>(2)</sup> concerning implementation of the new computerised transit system (NCTS) launched in May 2000 <sup>(3)</sup>, which went into operation in all Member States on 1 July. On 14 March <sup>(4)</sup>, the Commission proposed certain implementing provisions for the Community customs code <sup>(5)</sup>, entrusting more decisions on repayment of import or export duties to the Member States. To this end, it raised the threshold of Community competence to EUR 500 000. However, to ensure uniformity and protection of the Community's financial interests, Member States will in certain cases have to send dossiers to the Commission whatever the amount concerned.

On 11 September, the Commission adopted a regulation <sup>(6)</sup> on the tariff and statistical nomenclature and on the common customs tariff (CCT), to enter into force on 1 January 2004.

On 18 December <sup>(7)</sup>, the Commission adopted a Green Paper on the future of rules of origin in preferential trade arrangements, with a view to adapting these rules to changing circumstances, particularly changes in customs duties likely to emerge from the current round of multilateral trade negotiations (→ point 786).

**787. Sectoral rules.** On 21 January, the Council adopted a regulation suspending customs duties on certain arms and military equipment <sup>(8)</sup>, enabling Member States to supply their armed forces with the most advanced technological weapons. Likewise, on 27 January it adopted a regulation <sup>(9)</sup> amending Regulation (EC) No 1334/2000 setting up a Community regime for the control of exports of dual-use items and technology. The new regulation updates the list of dual-use goods and technologies so as to align Community legislation with multilateral arrangements for export controls. On 14 November, the national measures introduced to implement Articles 5, 6, 13 and 21 of Regulation (EC) No 1334/2000 were published <sup>(10)</sup>. Some action was also taken at political level to strengthen Community arrangements in connection with the adoption of the Thessaloniki action plan to combat the proliferation of weapons of mass destruction (→ point 758). Moreover, on 22 July the Council adopted a regulation on customs action against goods suspected of infringing certain intellectual property rights and the measures to be taken against goods found to have infringed such rights <sup>(11)</sup>. Lastly, on 29 December <sup>(12)</sup> the Commission put forward a proposal for a regulation opening and provid-

<sup>(1)</sup> Bull. 12-2003, point 1.6.41.

<sup>(2)</sup> COM(2003) 125; Bull. 3-2003, point 1.6.32.

<sup>(3)</sup> Decision No 105/2000/EC (OJ L 13, 19.1.2000).

<sup>(4)</sup> COM(2003) 115; Bull. 3-2003, point 1.6.29.

<sup>(5)</sup> Regulation (EEC) No 2454/93 (OJ L 253, 11.10.1993).

<sup>(6)</sup> Regulation (EC) No 1789/2003 (OJ L 281, 30.10.2003).

<sup>(7)</sup> COM(2003) 787; Bull. 12-2003, point 1.6.42.

<sup>(8)</sup> Regulation (EC) No 150/2003 (OJ L 25, 30.1.2003; Bull. 1/2-2003, point 1.6.44).

<sup>(9)</sup> Regulation (EC) No 149/2003 (OJ L 30, 5.2.2003; Bull. 1/2-2003, point 1.6.45).

<sup>(10)</sup> OJ C 273, 14.11.2003.

<sup>(11)</sup> Regulation (EC) No 1383/2003 (OJ L 196, 2.8.2003; Bull. 7/8-2003, point 1.6.46).

<sup>(12)</sup> COM(2003) 832.

ing for the management of autonomous Community tariff quotas for certain fishery products for the period 2004–06.

**788.** *Monaco.* On 4 December, an agreement was signed with the Principality of Monaco, part of the EU's customs territory, to apply Community acts relating to the manufacture and marketing of medicines, cosmetic products and medical equipment on this territory (Table III).

**789.** *Customs cooperation and mutual administrative assistance.* At its meeting on 27 and 28 January, the Council adopted negotiating directives for a draft customs cooperation agreement with India (Table III). On 18 March, it adopted negotiating directives amending the customs cooperation and mutual assistance agreement with the United States (Table III). In the framework of enlargement, a protocol on mutual administrative assistance was signed with Malta (→ point 55).

## Commercial policy instruments<sup>(1)</sup>

**790.** *General.* The Commission adopted, on 7 August, its 21st annual report on Community anti-dumping, anti-subsidy and safeguard activities<sup>(2)</sup>. The Council adopted a regulation on 6 March aimed at ensuring that the combination of different trade measures against a single import did not have greater effect than envisaged by trade defence policy and objectives<sup>(3)</sup>. As a follow-up, on 6 May it adopted a regulation amending anti-dumping measures applicable to certain hot-rolled coils and to certain tube and pipe fittings<sup>(4)</sup>. On 26 June, the Commission proposed clarifying the way in which decisions on trade defence measures are taken within the Council (Table I). The situation concerning SARS (severe acute respiratory syndrome) made it impossible for the Commission to make certain on-the-spot checks as part of its anti-dumping and anti-subsidy investigations so it defined the approach it would take in similar cases in a notice issued on 13 August<sup>(5)</sup>.

In its judgment of 30 September in the Eurocoton case<sup>(6)</sup>, the Court of Justice concluded on appeal that trade defence measures constituted legal implementation rather than legislative or political acts.

**791.** *Anti-dumping measures.* The Council imposed definitive duties in three new cases<sup>(7)</sup>, concerning imports of paracresol<sup>(8)</sup> and furfuryl alcohol originating in

(1) [http://europa.eu.int/comm/trade/issues/respectrules/tpi\\_en.htm](http://europa.eu.int/comm/trade/issues/respectrules/tpi_en.htm).

(2) COM(2003) 481; Bull. 7/8-2003, point 1.6.48. Previous report: COM(2002) 484; 2002 General Report, point 784.

(3) Regulation (EC) No 452/2003 (OJ L 69, 13.3.2003; Bull. 3-2003, point 1.6.33).

(4) Regulation (EC) No 778/2003 (OJ L 114, 8.5.2003); Bull. 5-2003, point 1.6.29).

(5) OJ C 191, 13.8.2003; Bull. 7/8-2003, point 1.6.49.

(6) Case C-76/01 P (Eurocoton and Council) (to be published).

(7) Further details on specific cases can be found in the 22nd annual report to the European Parliament on Community anti-dumping and anti-subsidy measures in 2003 (to be published). The *Bulletin of the European Union* also gives details of the various stages (notice, undertakings, duties) of all procedures under way.

(8) Regulation (EC) No 1656/2003 (OJ L 234, 20.9.2003; Bull. 9-2003, point 1.6.44).

China <sup>(1)</sup> and imports of silicon originating in Russia <sup>(2)</sup>. The Council closed two investigations without taking measures. In eight proceedings, the 15-month time limit for taking definitive measures expired without any action on the Council's part. Following reviews, it confirmed or amended definitive duties in 33 proceedings and closed 18 proceedings without renewing the measures. It also extended the duties in force in two anti-circumvention investigations.

The Commission published notices of initiation concerning seven new investigations and 20 reviews. It also adopted 11 provisional measures and closed nine investigations without taking measures. Following reviews, it confirmed or amended the definitive duties in three proceedings and closed two investigations without reviewing the measures. It accepted undertakings in two cases, and withdrew them in three cases following violations. The Commission published 18 notices of expiry of anti-dumping measures nearing expiry after a period of application of five years.

**792. *Anti-subsidy measures.*** The Council imposed definitive duties in two new cases. The measures concerned imports of recordable compact discs originating in India <sup>(3)</sup> and certain electronic microcircuits known as DRAMs originating in the Republic of Korea <sup>(4)</sup>. Following reviews, it confirmed or amended definitive duties in one proceeding and closed one proceeding without taking measures.

The Commission published notices of initiation concerning one new investigation. It also adopted one provisional measure and opened six reviews. Two investigations expired after five years.

**793. *Safeguard measures.*** On 3 March, the Council adopted a regulation on a provisional safeguard measure applicable to imports of certain products from China <sup>(5)</sup>. This regulation was amended on 10 November <sup>(6)</sup> and provides for an increase in the quota to take account of enlargement. On 11 July, the Commission published two notices of safeguard investigations concerning imports of certain citrus fruits: one under the regulation specific to China, the other under the general WTO erga omnes rules, following which provisional duties were imposed on 7 November. The Commission also adopted a regulation on 27 January terminating the safeguard proceedings relating to certain steel products and providing for the refund of certain duties <sup>(7)</sup>.

**794. *Trade barriers.*** On 13 March, the Commission published a notice of initiation of a review relating to subsidies granted by the United States for oilseed production <sup>(8)</sup>. On

<sup>(1)</sup> Regulation (EC) No 1905/2003 (OJ L 283, 31.10.2003; Bull. 10-2003, 1.6.23).

<sup>(2)</sup> Regulation (EC) No 2229/2003 (OJ L 339, 24.12.2003; Bull. 12-2003, point 1.6.45).

<sup>(3)</sup> Regulation (EC) No 960/2003 (OJ L 138, 5.6.2003; Bull. 6-2003, point 1.6.51).

<sup>(4)</sup> Regulation (EC) No 1480/2003 (OJ L 212, 22.8.2003; Bull. 7/8-2003, point 1.6.70).

<sup>(5)</sup> Regulation (EC) No 427/2003 (OJ L 65, 8.3.2003; Bull. 3-2003, point 1.6.40).

<sup>(6)</sup> Regulation (EC) No 1985/2003 (OJ L 295, 13.11.2003; Bull. 11-2003, point 1.6.32).

<sup>(7)</sup> Regulation (EC) No 142/2003 (OJ L 23, 28.1.2003; Bull. 1/2-2003, point 1.6.78).

<sup>(8)</sup> OJ C 58, 13.3.2003; Bull. 3-2003, point 1.6.41.

23 June, it decided to suspend a review procedure relating to trade practices by Canada on the import of certain wines <sup>(1)</sup>.

## Treaties, trade agreements and mutual recognition agreements

795. *United States*. On 21 January, following failure by the US to comply with its obligations under the mutual recognition agreement on electrical safety <sup>(2)</sup>, the Council suspended the Community's obligations in this field <sup>(3)</sup>. On 16 June, it approved the decision to sign an agreement on mutual recognition of conformity certificates for marine equipment (Table III).

796. *Relations between future Member States and the United States*. A memorandum of understanding signed by the Commission on 22 September <sup>(4)</sup> removes the incompatibilities between Community law and bilateral investment treaties between eight future EU Member States and the United States. The Council adopted protocols to the association agreements on conformity assessment and acceptance of industrial products (PECAs). It also amended the existing PECAs to extend them to new industrial sectors (→ point 58).

797. *Economic partnership agreements*. Information on the economic partnership agreements is to be found in Section 13 ('Relations with ACP States') of this chapter (→ point 991).

## Export credits <sup>(5)</sup>

798. In 2003, the Commission negotiated the revision of the arrangement on officially supported export credits and the revised OECD recommendation on environmental common approaches to officially supported export credits.

## Market access

799. The Commission continued to develop its interactive market access database <sup>(6)</sup> to adapt the information to users' needs. Efforts to publicise it among interested parties, particularly small and medium-sized enterprises, continued with a view to increasing use of the database and Commission information on the barriers confronting businesses. An initial module of a new 'Helpdesk' database containing information on EU market access

<sup>(1)</sup> Decision 2003/502/EC (OJ L 170, 9.7.2003; Bull. 6-2003, point 1.6.52).

<sup>(2)</sup> OJ L 31, 4.2.1999.

<sup>(3)</sup> Decision 2003/57/EC (OJ L 23, 28.1.2003; Bull. 1/2-2003, point 1.6.74).

<sup>(4)</sup> Bull. 9-2003, point 1.6.57.

<sup>(5)</sup> [http://europa.eu.int/comm/trade/issues/sectoral/export\\_cred/index\\_en.htm](http://europa.eu.int/comm/trade/issues/sectoral/export_cred/index_en.htm).

<sup>(6)</sup> <http://mkacddb.eu.int/>.

for products originating in developing countries was also finalised, with a view to facilitating their exports to EU markets.

## Trade and sustainable development <sup>(1)</sup>

800. *Kimberley process.* The Kimberley process certification scheme, aimed at eliminating diamonds used to finance conflicts in Africa from international trade, went into operation early in 2003. On 11 February, the Council therefore amended <sup>(2)</sup> Regulation (EC) No 2368/2002 on the Kimberley process certification scheme for the international trade in rough diamonds <sup>(3)</sup>: it ended the suspension of the application of certain provisions and changed the definition of the system's participants. The Commission subsequently amended the annexes to the regulation on several occasions, notably in order to update the list of participants <sup>(4)</sup> and to list self-regulatory diamond industry organisations <sup>(5)</sup>.

801. On 9 October, the Committee of the Regions adopted an opinion <sup>(6)</sup> calling for a balance between trade and sustainable development and recognition in trade negotiations of the serious problems encountered by developing countries.

## Individual sectors <sup>(7)</sup>

### Steel

802. *Crisis in the steel sector.* In a resolution of 13 February <sup>(8)</sup>, Parliament reminded the Commission of the role it should play in this sector following the winding up of the ECSC in 2002 <sup>(9)</sup>. It stressed the importance of Community action on the economic and social impact of developments in this sector as part of enlargement and global competition.

803. *Bilateral trade agreements and double-checking agreements.* On 21 January, the Council adopted decisions <sup>(10)</sup> on the position to be adopted by the Community in the association councils set up by the Europe agreements concluded with the Czech Republic, Poland, the Slovak Republic and Romania, with a view to extending the double-checking system applicable to exports of certain steel products from those countries to the Commu-

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<sup>(1)</sup> <http://europa.eu.int/comm/trade/csc/intro.htm>.

<sup>(2)</sup> Regulations (EC) Nos 254/2003 and 257/2003 (OJ L 36, 12.2.2003; Bull. 1/2-2003, point 1.6.163).

<sup>(3)</sup> OJ L 358, 31.12.2002; 2002 General Report, point 991.

<sup>(4)</sup> Regulation (EC) No 418/2003 (OJ L 64, 7.3.2003); Regulation (EC) No 803/2003 (OJ L 115, 9.5.2003); Regulation (EC) No 1536/2003 (OJ L 218, 30.8.2003); Regulation (EC) No 1768/2003 (OJ L 256, 9.10.2003); Regulation (EC) No 1880/2003 (OJ L 275, 25.10.2003).

<sup>(5)</sup> Regulation (EC) No 762/2003 (OJ L 109, 1.5.2003); Regulation (EC) No 1214/2003 (OJ L 169, 8.7.2003).

<sup>(6)</sup> Bull. 10-2003, point 1.6.33

<sup>(7)</sup> [http://europa.eu.int/comm/trade/issues/sectoral/index\\_en.htm](http://europa.eu.int/comm/trade/issues/sectoral/index_en.htm).

<sup>(8)</sup> Bull. 1/2-2003, point 1.6.76.

<sup>(9)</sup> 2002 General Report, points 39 to 41.

<sup>(10)</sup> Bull. 1/2-2003, point 1.6.77.

nity to cover the period between the date of entry into force of the decisions of the various association councils and the date of their accession to the EU. The association councils adopted decisions on the Czech Republic <sup>(1)</sup> on 4 February, Poland <sup>(2)</sup> on 19 March, the Slovak Republic <sup>(3)</sup> on 30 April and Romania <sup>(4)</sup> on 8 May. On 18 February, the Council approved an agreement concluded between Russia and the Community aimed at establishing a double-checking system for imports of certain steel products <sup>(5)</sup>.

**804.** *Quantitative limits agreements with certain third countries.* On 29 September, the Council adopted negotiating directives amending the bilateral agreements on trade in steel products with Russia, Kazakhstan and Ukraine <sup>(6)</sup>. On 27 October <sup>(7)</sup>, it adopted a decision on conclusion enabling the amendment of the 2002 agreement between the ECSC and Russia on trade in steel products <sup>(8)</sup>; the same day, it amended <sup>(9)</sup> Commission Decision 2002/602/ECSC <sup>(10)</sup> concerning the administration of certain import restrictions on those products. On 15 December, Council adopted a decision <sup>(11)</sup> on trade in certain steel products between the Community and Ukraine. The negotiations concerning Serbia and Montenegro were postponed.

### Textiles and clothing industry

**805.** On 21 January, the Council adopted a regulation <sup>(12)</sup> introducing trade facilitation measures on proof of origin and samples into the common procedure applicable to textile imports, together with specific safeguard provisions for imports of textile and clothing products from China. On 29 September, it adopted negotiating directives <sup>(13)</sup> on draft agreements on textiles with Azerbaijan, Belarus, Kazakhstan, Serbia and Montenegro, Tajikistan and Turkmenistan. On 17 December, the Council adopted a decision <sup>(14)</sup> on the provisional application from 1 January 2004 of the agreements with Azerbaijan, Tajikistan and Turkmenistan. A similar decision for Belarus was taken on 22 December <sup>(15)</sup>.

<sup>(1)</sup> Decision No 1/2003 of the Association Council (OJ L 81, 28.3.2003).

<sup>(2)</sup> Decision No 2/2003 of the Association Council (OJ L 135, 3.6.2003).

<sup>(3)</sup> Decision No 2/2003 of the Association Council (OJ L 160, 28.6.2003).

<sup>(4)</sup> Decision No 1/2003 of the Association Council (OJ L 206, 15.8.2003).

<sup>(5)</sup> Decision 2003/618/EC (OJ L 216, 28.8.2003; Bull. 1/2-2003, point 1.6.79).

<sup>(6)</sup> Bull. 9-2003, point 1.6.58.

<sup>(7)</sup> OJ L 19, 15.1.2004.

<sup>(8)</sup> OJ L 195, 24.7.2002; 2002 General Report, point 803.

<sup>(9)</sup> Regulation (EC) No 57/2004 (OJ L 19, 5.1.2004; Bull. 10-2003, point 1.6.35).

<sup>(10)</sup> OJ L 195, 24.7.2002.

<sup>(11)</sup> Decision 2003/895/EC (OJ L 333, 20.12.2003; Bull. 12-2003, point 1.6.62).

<sup>(12)</sup> Regulation (EC) No 138/2003 (OJ L 23, 28.1.2003; Bull. 1/2-2003, point 1.6.81).

<sup>(13)</sup> Bull. 9-2003, points 1.6.59 and 1.6.60.

<sup>(14)</sup> Decision 2003/901/EC (OJ L 340, 24.12.2003; Bull. 12-2003, point 1.6.65).

<sup>(15)</sup> Decision 2003/915/EC (OJ L 345, 31.12.2003; Bull. 12-2003, point 1.6.64).

**806.** In the footwear sector, on 17 March, the Council approved <sup>(1)</sup> the extension of a protocol concluded with Vietnam on fraud prevention <sup>(2)</sup>, and on 15 July, adopted a regulation implementing this agreement <sup>(3)</sup>. On 2 June, it adopted a decision <sup>(4)</sup> on a new agreement amending the agreement with Vietnam on trade in textiles and clothing products <sup>(5)</sup> and other market opening measures.

### Shipbuilding

**807.** On 6 May, the Commission adopted its seventh report on the situation of shipbuilding in the world <sup>(6)</sup>. It described the serious difficulties facing this sector with the fall in orders due to the saturation of supply and the slowdown in world economies. Parliament, in a resolution of 13 May <sup>(7)</sup> on the sixth report <sup>(8)</sup>, stressed that unfair practices by South Korea were responsible for the decline in the shipbuilding sector in Europe. On 24 June <sup>(9)</sup>, after several attempts to find an amicable solution had failed, the Commission requested the WTO's Dispute Settlement Body to set up a panel to examine Korean practices. A new investigation confirmed that the Community industry had suffered material injury and serious prejudice caused by unfair South Korean practices, also in the liquefied natural gas carrier sector, so shipyards in that sector will also be covered by the temporary defence mechanism introduced in 2002 <sup>(10)</sup>. In the meantime, negotiations continue in the framework of the OECD in order to reach an agreement on normal competitive conditions in the shipbuilding sector.

### Other products

**808.** On 26 May, the Council adopted a regulation <sup>(11)</sup> to ensure that pharmaceutical products intended for export at tiered prices to the poorest countries were not diverted to the European market. The Council adopted agreements and protocols amending the association agreements with the Czech Republic, Hungary and Slovakia with regard to conformity assessment and acceptance of industrial products (PECA) (→ point 58).

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<sup>(1)</sup> Decision 2003/360/EC (OJ L 124, 20.5.2003; Bull. 3-2003, point 1.6.42).

<sup>(2)</sup> OJ L 1, 4.1.2000.

<sup>(3)</sup> Regulation (EC) No 1296/2003 (OJ L 183, 22.7.2003; Bull. 7/8-2003, point 1.6.78).

<sup>(4)</sup> Decision 2003/453/EC (OJ L 152, 20.6.2003; Bull. 6-2003, point 1.6.54).

<sup>(5)</sup> OJ L 410, 31.12.1992.

<sup>(6)</sup> COM(2003) 232; Bull. 5-2003, point 1.6.43.

<sup>(7)</sup> Bull. 5-2003, point 1.6.44.

<sup>(8)</sup> COM(2002) 622; 2002 General Report, point 805.

<sup>(9)</sup> OJ C 148, 25.6.2003; Bull. 6-2003, point 1.6.56.

<sup>(10)</sup> Council Regulation (EC) No 1177/2002 (OJ L 172, 2.7.2002; 2002 General Report, point 805).

<sup>(11)</sup> Regulation (EC) No 953/2003 (OJ L 135, 3.6.2003; Bull. 5-2003, point 1.6.45).

## Services

809. As part of negotiations on services under the auspices of the Doha Development Agenda, the Commission held bilateral meetings with most of its 109 trading partners and invited them to examine the initial requests and offers submitted. In response to the 35 requests received from third countries, and after careful internal preparation, the EC tabled its initial offer in the services negotiations in April. Meanwhile, the Commission continued to participate in technical work on drafting rules (subsidies, emergency safeguard measures and public procurement) and in the development of GATS disciplines on domestic regulation. It also took an active part in work on issues such as classification, the e-commerce work programme, the review of the most favoured nation (MFN) clause and the annex on air transport. In July, the Community launched a procedure under Article V of the General Agreement on Trade in Services (GATS) seeking the withdrawal or amendment of some of the commitments made by Austria, Finland and Sweden prior to their accession to the EU, so as to consolidate the commitments of the EU-15 into one common schedule of specific commitments.

## Generalised system of preferences

810. On 8 May, the Council adopted two regulations <sup>(1)</sup> amending Regulation (EC) No 2501/2001 <sup>(2)</sup> applying a generalised scheme of tariff preferences for the period from 1 January 2002 to 31 December 2004. The new regulations enable the countries concerned, in certain sectors facing a crisis, to be exempted from the abolition of tariff preferences on exports of their products to the European Union. The Commission adopted another regulation <sup>(3)</sup> on 25 September amending the annexes to Regulation (EC) No 2501/2001. On 15 December, the Council adopted a regulation <sup>(4)</sup> extending the application of Regulation (EC) No 2501/2001 until 31 December 2005.

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<sup>(1)</sup> Regulations (EC) Nos 814/2003 and 815/2003 (OJ L 116, 13.5.2003; Bull. 5-2003, point 1.6.46).

<sup>(2)</sup> OJ L 346, 31.12.2001; 2001 General Report, point 916.

<sup>(3)</sup> Regulation (EC) No 1686/2003 (OJ L 240, 26.9.2003).

<sup>(4)</sup> Regulation (EC) No 2211/2003 (OJ L 332, 19.12.2003; Bull. 12-2003, point 1.6.66).

*Section 4***Development cooperation <sup>(1)</sup>****Overview**

811. *Poverty reduction remained the core objective of EU development policy in 2003. The Commission continued implementation of the statement on development policy drawn up jointly with the Council in 2000 and of the reform of external aid, which has also been under way for three years. It followed up undertakings made in 2002 at the Monterrey International Conference on Financing for Development and at the Johannesburg Summit on Sustainable Development, especially by means of greater cooperation with other members of the donor community.*

**Millennium development goals <sup>(2)</sup>**

812. *Fight against poverty.* In its conclusions of 27 January <sup>(3)</sup>, stressing the importance of pursuing the objectives of rural development as part of the World Food Summit declarations <sup>(4)</sup> and those of the Sustainable Development Summit <sup>(5)</sup>, and as a follow-up to its joint declaration with the Commission of November 2000 on the Community's development policy <sup>(6)</sup>, the Council welcomed the Commission's communication of July 2002 on rural development <sup>(7)</sup> as a means of fighting poverty. In a resolution of 30 January <sup>(8)</sup>, Parliament expressed concern at the humanitarian crises affecting the least advanced countries, calling on the European Union and other donors to find rapid solutions to these crises. It also considered that the Union's trade policy should seek to promote sustainable development and fair trade rules. In a resolution of 12 February <sup>(9)</sup> concerning the World Economic Forum in Davos (Switzerland) and the World Social Forum at Porto Alegre in Brazil, Parliament stressed the need to link globalisation and efforts to reduce poverty and the linkage between social, economic and environmental policies. Aspects linked to health and education in the fight against poverty are dealt with below (→ points 816 to 818 and 821).

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/development/index\\_en.htm](http://europa.eu.int/comm/development/index_en.htm)).

<sup>(2)</sup> 2000 General Report, point 789; Internet (<http://www.un.org/millenniumgoals/index.shtml>).

<sup>(3)</sup> Bull. 1/2-2003, point 1.6.86.

<sup>(4)</sup> 2002 General Report, point 837; Internet (<http://www.fao.org/worldfoodsummit/english/index.html>).

<sup>(5)</sup> 2002 General Report, points 557 and 558; Internet (<http://europa.eu.int/comm/environment/agend21/index.htm>; <http://www.johannesburgsummit.org>).

<sup>(6)</sup> 2000 General Report, point 842.

<sup>(7)</sup> COM(2002) 429; 2002 General Report, point 818.

<sup>(8)</sup> Bull. 1/2-2003, point 1.6.87.

<sup>(9)</sup> Bull. 1/2-2003, point 1.6.88.

**813.** *External assistance of the European Union.* In its conclusions of 18 March <sup>(1)</sup>, highlighting the progress made to enhance the effectiveness and quality of the Union's external aid and improve coordination of Community and bilateral aid by implementing the common framework for country strategy papers adopted by the Commission in 2000 <sup>(2)</sup>, the Council considered that these papers could be made more effective through a mid-term monitoring and review mechanism involving the Commission and the countries concerned. In its conclusions of 20 May <sup>(3)</sup>, highlighting the need to comply fully with the commitments made at key international conferences, in particular the International Conference on Financing for Development held in Monterrey in March 2002 <sup>(4)</sup>, the Council called on Member States to continue to meet the commitments made at the Barcelona European Council <sup>(5)</sup> and urged the Commission to continue its follow-up to the Monterrey conference.

On 3 September <sup>(6)</sup>, the Commission presented its second annual report on the Community's development policy and implementation of external assistance, relating to 2002, when EUR 6.5 billion was committed and EUR 5.2 billion actually disbursed. Aside from the impact of the guidelines defined at the Monterrey and Johannesburg summits and what had been achieved by the first generation of country strategy papers, the Commission highlighted the improvement in the consistency, coordination and complementarity of the measures and greater cooperation between the Community and other donors (→ points 841 to 843), all part of the reform of the management of the Union's external assistance. It also stressed the progress made in achieving the millennium development goals based on 10 indicators enabling the Commission to gauge progress made by beneficiary countries. The Commission considered that the most important challenge remained water management (→ point 833), which was the report's cornerstone. This report featured in the Council's conclusions of 17 November <sup>(7)</sup>. On 4 September <sup>(8)</sup>, Parliament commented on the previous Commission report on activities in 2001 <sup>(9)</sup>.

**814.** *Reform of the management of external assistance.* Information concerning this reform is to be found in Section 3 ('Reform of the Commission') of Chapter IX (→ point 1157).

**815.** *Untying aid.* The communication of 18 November 2002 <sup>(10)</sup>, in which the Commission advocated untying development aid to increase its effectiveness, was welcomed by the Council on 20 May <sup>(11)</sup> and Parliament on 4 September <sup>(12)</sup>.

<sup>(1)</sup> Bull. 3-2003, point 1.6.43.

<sup>(2)</sup> 2000 General Report, point 844.

<sup>(3)</sup> Bull. 5-2003, point 1.6.52.

<sup>(4)</sup> 2002 General Report, point 810.

<sup>(5)</sup> Bull. 3-2002, point 1.11; 2002 General Report, point 810.

<sup>(6)</sup> COM(2003) 527; Bull. 9-2003, point 1.6.61.

<sup>(7)</sup> Bull. 11-2003, point 1.6.37.

<sup>(8)</sup> Bull. 9-2003, point 1.6.62.

<sup>(9)</sup> COM(2002) 490; 2002 General Report, point 811.

<sup>(10)</sup> COM(2002) 639; 2002 General Report, point 812.

<sup>(11)</sup> Bull. 5-2003, point 1.6.51.

<sup>(12)</sup> Bull. 9-2003, point 1.6.64.

## Development policy priorities

### Health

816. *General.* The EU committed EUR 94.3 million under its 2003 work programme for health cooperation. On 4 September <sup>(1)</sup>, Parliament stated its views on the Commission communication of 22 March 2002 on health and the fight against poverty in the developing countries <sup>(2)</sup>. While regretting that the communication did not embrace a wider range of diseases, it welcomed the policy framework thus established for health aid in the countries concerned and recommended objectives and means.

817. *Fight against diseases linked to poverty.* In a communication of 26 February <sup>(3)</sup>, the Commission assessed the action programme of February 2001 to speed up the fight against HIV/AIDS, malaria and tuberculosis in the framework of poverty reduction <sup>(4)</sup>. It reviewed the results in terms of improved effectiveness, accessibility of essential medicines and the increased investment in research and development. It felt that its action programme remained a coherent political framework, while underlining the need for fresh efforts towards a structured dialogue with developing countries. It proposed creating a forum bringing together interested parties and geared to the fight against communicable diseases. The Thessaloniki European Council welcomed the swift start-up to the Global Fund to Fight AIDS, Tuberculosis and Malaria and called on each Member State and the Commission to make a higher contribution over time to its financing <sup>(5)</sup>. On 15 July, Parliament and the Council adopted Regulation (EC) No 1568/2003 on measures to combat HIV/AIDS, malaria and tuberculosis as part of a budget of EUR 351 million (Table I). On 16 June they had established procedures for the Community's participation in an international research programme in that field (→ point 336).

818. *Reproductive and sexual health.* On 15 July, Parliament and the Council adopted Regulation (EC) No 1567/2003 on aid for policies and actions on reproductive and sexual health and rights to enable equal and universal access to healthcare and products and to reduce the disproportionate rates of maternal mortality and illness in developing countries (Table I).

### Other priorities

819. *Regional integration.* The Community continued to support regional integration by drawing up or implementing regional indicative programmes. Support for the economic integration of subregions was also a key element of the development dimension to the future economic partnership agreements negotiated with the ACP countries (→ point 991).

<sup>(1)</sup> Bull. 9-2003, point 1.6.65.

<sup>(2)</sup> COM(2002) 129; 2002 General Report, point 827.

<sup>(3)</sup> COM(2003) 93; Bull. 1/2-2003, point 1.6.93.

<sup>(4)</sup> COM(2001) 96; 2001 General Report, point 938.

<sup>(5)</sup> Bull. 6-2003, point 1.29.

**820.** *Good governance and support for institution building.* On 20 October the Commission adopted a communication on ‘Governance and development’ <sup>(1)</sup> in which it stressed the link — highlighted by the White Paper on European governance <sup>(2)</sup> — which existed between governance, democratisation and development. Aside from the Cotonou Partnership Agreement (→ point 986), which in the context of ACP–EC relations is an overall reference framework, the Commission proposed a pragmatic approach geared to strengthening capacity and dialogue on governance as part of an à la carte approach based on a set of guiding principles implemented according to the specific nature of each country. It distinguished between three types of situation: effective partnerships, difficult partnerships and post-conflict situations. This approach won the support of the Council, which in its conclusions of 17 November <sup>(3)</sup> recognised that good governance was essential for reducing poverty and also that corruption was a major challenge that had to be tackled. In a resolution of 15 May <sup>(4)</sup>, Parliament found that a strategy to strengthen capacity in various fields in the developing countries should be based on participation by aid beneficiaries in the choice of priority objectives and in setting quality objectives from a multidimensional point of view.

**821.** *Education and training.* In a resolution of 15 May <sup>(5)</sup>, referring to the Commission’s communication of 6 March 2002 on education and training in the context of poverty reduction in the developing countries <sup>(6)</sup>, Parliament urged the Commission to double the funds allocated to education and ensure coherence and complementarity of development policies on education, including the link with health policies. It stressed the importance of fostering education measures for women and girls, street children and children who work or are conflict victims, and providing basic education for all.

**822.** *Food security.* On 15 July <sup>(7)</sup>, referring to the Court of Auditors Special Report No 2/2003 on the implementation of food security policy in the developing countries (→ point 1110), the Council asked the Commission to assess the application of Regulation (EC) No 1292/96 <sup>(8)</sup> and to ensure strict adherence to it. Details of the implementation of the food security and food aid programme for 2003 are to be found in Table 16.

**823.** Matters relating to the priority field of environment and sustainable development are dealt with under the heading ‘Sustainable development’ of this section (→ point 832).

<sup>(1)</sup> COM(2003) 615; Bull. 10-2003, point 1.6.37.

<sup>(2)</sup> COM(2001) 428, 2001 General Report, point 24 and Internet ([http://europa.eu.int/comm/governance/index\\_en.htm](http://europa.eu.int/comm/governance/index_en.htm))

<sup>(3)</sup> Bull. 11-2003, point 1.6.36.

<sup>(4)</sup> Bull. 5-2003, point 1.6.49.

<sup>(5)</sup> Bull. 5-2003, point 1.6.50.

<sup>(6)</sup> COM(2002) 116; 2002 General Report, point 829.

<sup>(7)</sup> Bull. 7/8-2003, point 1.6.85.

<sup>(8)</sup> OJ L 166, 5.7.1996; 1996 General Report, point 763.

## Cross-cutting issues

824. *Business sector.* In a communication of 19 May on its approach as regards support for the development of the business sector <sup>(1)</sup>, the Commission highlighted five areas on which it would focus its efforts: overall dialogue on measures to be taken; promotion of investment and cooperation between firms; facilitation of investment financing and development of financial markets; support for small and medium-sized enterprises in the shape of non-financial services; support for micro-enterprises. In a communication on 3 June <sup>(2)</sup>, the Commission recommended that the EU play a more active role in the discussion on reform of State enterprises in the developing countries, in particular as regards public utilities. These two Commission communications won the approval of the Council on 17 November <sup>(3)</sup>.

825. *Gender.* On 30 July the Commission proposed drafting a new regulation to replace Council Regulation (EC) No 2836/98 on the mainstreaming of gender issues in development cooperation, due to expire on 31 December (Table I). It recommended two complementary approaches: incorporation of aspects affecting equality of the sexes and adoption of special measures to foster emancipation of women and their role in the economic, social and environmental fields. In 2003 the EU spent a total of EUR 2.5 million to support gender mainstreaming.

## Trade and development

826. *General.* In a resolution of 4 September <sup>(4)</sup>, the European Parliament, referring to the Commission communication of 18 September 2002 on the link between trade and development <sup>(5)</sup>, called on the Commission to work towards the following goals: rationalising its development aid policy by reforming its agricultural and trade policies in order to promote sustainable development and the fight against poverty; comply with commitments made at Doha <sup>(6)</sup> to improve market access, chiefly for agricultural and industrial products, for which the developing countries had a comparative advantage; not to exert pressure for indiscriminate liberalisation and deregulation of those countries' markets; boost their domestic markets by means of asymmetric trade with the European Union and through their trade with neighbouring countries.

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<sup>(1)</sup> COM(2003) 267; Bull. 5-2003, point 1.6.47.

<sup>(2)</sup> COM(2003) 326; Bull. 6-2003, point 1.6.59.

<sup>(3)</sup> Bull. 11-2003, point 1.6.38 and 1.6.39.

<sup>(4)</sup> Bull. 9-2003, point 1.6.63.

<sup>(5)</sup> COM(2002) 513; 2002 General Report, point 819.

<sup>(6)</sup> 2001 General Report, point 876.

**Table 16**

<b>Food security and food aid programme in 2003</b>				
				<i>(million EUR)</i>
<b>Region or organisation</b>	<b>Food security programmes</b>	<b>Food aid (including transport)</b>	<b>Foreign exchange facilities</b>	<b>Monitoring and technical assistance</b>
Direct aid				
Africa	25.8	41.35	13.4	3.0
Latin America and Caribbean	22.0		17.0	
Asia	10.0	8.0		
Central Asia	21.2		7.0	4.8
Technical assistance (all countries)				2.0
<b>Total direct aid</b>	<b>79.0</b>	<b>49.35</b>	<b>37.4</b>	<b>9.8</b>
Indirect aid				
Various NGOs	25.0			
NGO — Euronaid		50.0		
WFP <sup>(1)</sup>		120.0		
ICRC		8.0		
CGIAR	22.2			
FAO — Angola	1.5			
UNRWA		15.0		
<b>Total indirect aid</b>	<b>48.7</b>	<b>193.0</b>		
<b>Grand total</b>	<b>127.7</b>	<b>242.35</b>	<b>37.4</b>	<b>9.8</b>

(<sup>1</sup>) Including special allocation for Afghanistan.

## Generalised preferences

827. Matters relating to generalised preferences are dealt with in Section 3 ('Common commercial policy') of this chapter (→ point 810).

## Commodities and international agreements

828. *Tropical timber.* The International Tropical Timber Council, in whose vote the Commission participated <sup>(1)</sup>, decided to extend for three years the International Tropical Timber Agreement which entered into force in 1996 <sup>(2)</sup>.

829. *Coffee.* On 10 April <sup>(3)</sup>, stressing the seriousness of the crisis affecting the coffee sector and its repercussions on producer countries, Parliament recommended short-term action involving the European Union and the ACP countries concerned.

830. *Sugar.* On 26 May, the Council decided to conclude the agreement guaranteeing the ACP countries concerned, and India, prices comparable to the guaranteed prices applicable to Community producers for delivery of cane sugar in 2001/02 and 2002/03 (Table III).

(<sup>1</sup>) COM(2003) 111; Bull. 3-2003, point 1.6.45.

(<sup>2</sup>) OJ L 208, 17.8.1996.

(<sup>3</sup>) Bull. 4-2003, point 1.6.44.

## Heavily indebted poor countries (HIPC)

831. On 16 May <sup>(1)</sup>, the ACP–EC Council of Ministers approved a budget envelope of EUR 335 million for debt relief under the HIPC initiative <sup>(2)</sup>: EUR 200 million corresponds to an ACP–EC contribution to the financing of the HIPC trust fund and EUR 135 million to an EU contribution as creditor. This decision brought the total amount pledged to this initiative to EUR 1.6 billion.

## Sustainable development and Johannesburg summit follow-up

832. *General.* In an information report adopted on 15 May <sup>(3)</sup>, the European Economic and Social Committee recommended integrated approaches and partnership in the fight against poverty by promoting sustainable development. It called on the Commission to draft a communication on measures envisaged as part of the follow-up to the Johannesburg summit of September 2002 <sup>(4)</sup>. The urgency of implementing the commitments made in Johannesburg was also stressed in a Parliament resolution of 25 September <sup>(5)</sup>, which considered that the EU should continue to show leadership in the summit follow-up and that global environmental governance should be considered a priority for the years ahead.

In a communication of 23 December <sup>(6)</sup> the Commission took stock of progress made by the EU since entering into commitments at the Johannesburg summit. The communication both stresses the need to anchor implementation of sustainable development priorities in a multilateral framework and also sets out what the EU has concretely done in both its internal and external policies, the complementarity of which is described as the key to effectively implementing the Johannesburg objectives. Among the issues addressed are the renewal of EU policy on biodiversity, the drafting of action plans for marine environments and the soil, and strategies for a more sustainable use of resources. Also cited are the various policies dealing in particular with sectors where pollutant emissions are still rising, chemicals and the creation of instruments to encourage supply of, and demand for, more sustainable products and services and the use of environmental friendly technologies. The Commission also discusses the integration of sustainable development issues in the enlargement process. It is developing the work carried out with the aim of poverty reduction and initiatives concerning water, energy and forests (→ points 833 to 835). Moving to sustainable trade and globalisation, the Commission notes that efforts had focused on promoting this objective within various international forums, such as the WTO and the OECD, and on fostering and strengthening international economic governance and corporate social and environmental responsibility.

<sup>(1)</sup> Decision No 2/2003 of the ACP–EC Council of Ministers (JO L 152, 20.6.2003; Bull. 5-2003, points 1.6.106 and 1.6.118).

<sup>(2)</sup> 1999 General Report, points 713 and 810.

<sup>(3)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.6.55.

<sup>(4)</sup> 2002 General Report, point 558.

<sup>(5)</sup> Bull. 9-2003, point 1.6.67.

<sup>(6)</sup> COM(2003) 829 et Bull. 12-2003, point 1.6.69.

## Water initiative

833. As a follow-up to its communication of 12 March 2002 <sup>(1)</sup> and the water initiative launched by the European Union at the Johannesburg summit <sup>(2)</sup>, the Commission proposed, on 23 April <sup>(3)</sup>, the creation of a European Water Fund for the African, Caribbean and Pacific countries in order to reduce the number of persons with no access to drinking water and drainage. This fund would have a budget of EUR 1 billion financed partly by the ninth European Development Fund. Its role would be to cofinance investments with local authorities and financial institutions, to strengthen the investment mechanism of the ninth EDF managed by the European Investment Bank, to cofinance and strengthen capacity for neighbourhood projects and to provide technical assistance to strengthen the sector and ensure institutional, ecological, social and financial sustainability. The Commission's action received backing from the Council on 20 May <sup>(4)</sup> and from Parliament on 4 September <sup>(5)</sup>.

## Energy initiative

834. In a resolution of 19 June <sup>(6)</sup>, referring to the Commission communication of 17 July 2002 on energy cooperation with the developing countries <sup>(7)</sup>, Parliament called on the Commission to propose increasing resources for energy cooperation with developing countries, to create a special EU Sustainable Energy Fund on the lines of the Water Fund (→ point 833) and to ensure that energy programmes backed by the Commission served local development in the first instance. It also called for an end to subsidies to technologies that were harmful for the environment and for the Commission to help create new financial mechanisms in the developing countries and new types of enterprise for projects linked to renewable energy and energy efficiency.

## Forest law enforcement, governance and trade initiative (FLEGT)

835. To fulfil a commitment taken in Johannesburg, the Commission on 21 May adopted an EU action plan for forest law enforcement, governance and trade (FLEGT) (→ point 595). The action plan involves a series of voluntary (but binding) partnerships agreements with timber-producing countries and regions. Through these partnerships, the EU and partner countries will set up a licensing scheme to ensure that all timber exports to Europe are legal. The partnerships will also encourage governance reforms in timber-producing countries, particularly to promote greater equity and transparency in association with forest harvesting operations. The Commission has already had encouraging contacts

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<sup>(1)</sup> COM(2002) 132; 2002 General Report, point 817.

<sup>(2)</sup> 2002 General Report, point 817.

<sup>(3)</sup> COM(2003) 211; Bull. 4-2003, point 1.6.42.

<sup>(4)</sup> Bull. 5-2003, point 1.6.56.

<sup>(5)</sup> Bull. 9-2003, point 1.6.68.

<sup>(6)</sup> Bull. 6-2003, point 1.6.60.

<sup>(7)</sup> COM(2002) 408; 2002 General Report, point 817.

on forming such partnerships, particularly in South-East Asia. Efforts to engage with Africa were also given a boost by the Africa Ministerial Conference for Forest Law Enforcement and Governance, which was financially supported by the Commission and at which more than 30 African countries committed themselves to combating illegal logging and the associated corruption and failings of governance.

### **Environment and tropical forests**

836. The Commission continued its efforts to integrate environmental issues into the national and regional strategies of countries in receipt of its aid. On 13 March it adopted a communication on climate change in the context of development cooperation (→ point 620). Efforts were also made to improve partner countries' implementation of the UN Convention to Combat Desertification, notably by the ACP–EC Council's adoption on 16 May (→ point 985) of a joint document on combating drought and desertification and greater support to the initiatives of NGOs active in the sector. A consultation meeting with representatives of the Member States and civil society was held in March. Meanwhile the Commission continued its support for forest conservation and management and integration of the environment in the development process in 2003 with a financial commitment of EUR 41 million. It also extended until 31 December 2004 the 2002–03 strategic guidelines for the financing of operations in support of tropical forests and the environment in the developing countries.

### **Post-crisis rehabilitation**

#### **Cooperation in the field of combating anti-personnel landmines**

837. In 2003 the EU allocated EUR 18.15 million to help partner countries meet the challenge of eliminating anti-personnel mines. The focus was on support for national surveys on the impact of these devices in Angola, Armenia, Eritrea, Iraq and Sudan.

#### **Aid for refugees**

838. In 2003, EUR 200 million was committed for aid to refugees with particular emphasis on limiting illegal immigration by combating illegal immigrant smugglers, and through information campaigns on the consequences of illegal immigration and clandestine employment in the EU.

#### **Aid for rehabilitation**

839. In 2003, EUR 257 million was committed to rehabilitation aid, of which EUR 141 million was for Asia (including EUR 124 million for the reconstruction of Afghanistan), EUR 84 million for Latin America, EUR 17 million for the Mediterranean countries and the Near and Middle East, EUR 9 million for the partner States in eastern

Europe and central Asia, and EUR 6 million for the developing countries, particularly in Africa, the Caribbean and the Pacific.

### **North–south cooperation in the fight against drugs**

840. In the multilateral context the EU played an active part in one of the major events of the year in the fight against drugs, namely the April ministerial segment of the Commission on Narcotic Drugs, which met for a mid-term evaluation of the international community's efforts since the 1998 UN General Assembly special session on drugs <sup>(1)</sup>. The EU also took part in the ministerial conference on the heroin route held in Paris in May. In the bilateral context the EU adopted in June an action plan to combat drugs in the western Balkans. It also held its annual high-level meeting on drugs with the Andean Community in Cartagena (Colombia), plus the annual plenary session of the EU–Latin-American–Caribbean coordination and cooperation mechanism on drugs. Troika meetings were organised with countries of central Asia and the Balkans, the US, Iran and Russia.

The EU's main efforts in cooperation with third countries were still focused on Afghanistan and Colombia. Other operations to combat the abuse, production and trafficking of narcotic drugs were carried out with the Andean region (Bolivia and Venezuela), central Asia, Myanmar (Burma), Pakistan and Russia.

### **Coordination and complementarity with other donors**

841. *Coordination with other donors.* In parallel to efforts within the Union, the Commission collaborated on development issues with other donors and international organisations. The OECD Development Assistance Committee acknowledged the value added of this coordination. Development issues were high among the priorities of dialogue with the UN agencies and international financial institutions and at summits with partners such as Australia, Canada, the US and Japan. This approach has given a new impetus to the dialogue, in particular to subjects linked to UN conferences, the new partnership for Africa's development (NEPAD), Afghanistan and Iraq, and to making official development assistance more effective.

842. *Harmonising donor practices.* The Commission made an active contribution to the drafting of six good practice reference papers produced at the High-Level Forum on Harmonisation in Rome in February. It also took part in discussions on the harmonisation and rationalisation of strategy documents and procedures with the UNDP, the World Bank and a number of EU Member States. The Commission continued to play an active role within the donor community, notably the OECD's Development Assistance Committee (DAC).

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(1) 1998 General Report, point 760.

843. *Strengthening partnership with the UN.* In the follow-up to the communication on ‘Building an effective partnership with the United Nations in the fields of development and humanitarian affairs’, adopted in 2001 <sup>(1)</sup>, the Commission continued its in-depth political dialogue with the UN agencies, funds and programmes with a view to concluding strategic partnerships. On 19 April, an updated financial and administrative framework agreement was concluded with the UN Secretariat-General. The Commission also continued to step up coordination with the IMF and the World Bank, especially in the framework of poverty reduction strategies and the introduction of a more results-oriented aid approach. On 31 March and 1 April, a seminar bringing together Commission and World Bank representatives produced an action plan designed to strengthen joint support for national strategies. In the follow-up to the 2002 Johannesburg summit a number of coordination meetings were held with other leading donors to discuss environment-related initiatives and bring about convergence.

## Cooperation with NGOs and decentralised cooperation

844. *Cooperation with NGOs.* The Commission allocated EUR 199.9 million to cooperation with NGOs in 2003. Following adoption of the new financial regulation <sup>(2)</sup>, which will change the structure of the budget in 2004, the Commission proposed on 27 May to establish a legal basis for continuing over the period 2004–06 to make operating grants to organisations that promote reciprocal understanding between the EU and non-industrialised regions of the world (Table II). The proposal incorporates the general principles concerning degressivity and cofinancing that are applicable to grants (→ point 1053).

845. *Decentralised cooperation.* On 11 July <sup>(3)</sup>, the Commission presented an overall assessment of action financed by the Community in the field of decentralised cooperation under Regulation (EC) No 1659/98 <sup>(4)</sup>. In keeping with the recommendations, it proposed, the same day, extending the aforementioned regulation to 31 December 2006 with wider scope as to eligible partners and a more targeted approach for the types of operation receiving Community approval (Table I). The communication of 7 November 2002 on the involvement of non-State players in Community development policy <sup>(5)</sup>, was the subject, on 19 May <sup>(6)</sup>, of Council conclusions and, on 4 September <sup>(7)</sup>, a Parliament resolution which saw the communication as a significant step towards promoting a participatory approach in all Community programmes. On 16 July <sup>(8)</sup>, the European Economic and

<sup>(1)</sup> COM(2001) 231; 2001 General Report, point 940.

<sup>(2)</sup> Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248 du 16.9.2002; 2002 General Report, point 1048).

<sup>(3)</sup> COM(2003) 412; Bull. 7/8-2003, point 1.6.83.

<sup>(4)</sup> OJ L 213, 30.7.1998; 1998 General Report, point 770. Regulation amended by Regulation (EC) No 955/2002 (OJ L 148, 6.6.2002; 2002 General Report, point 835).

<sup>(5)</sup> COM(2002) 598; 2002 General Report, point 835.

<sup>(6)</sup> Bull. 5-2003, point 1.6.53.

<sup>(7)</sup> Bull. 9-2003, point 1.6.70.

<sup>(8)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.6.82.

Social Committee also issued an opinion on the role of civil society in European development policy.

### **Activities in international forums**

846. The Commission took part in conferences of parties to various environmental conventions and agreements (desertification, biodiversity, biosecurity, climate change, waste, chemicals, forests, and the like) and promoted the principle of integrating these instruments' objectives in national and regional cooperation and sustainable development strategies and the need for complementarity and synergies between instruments. The Commission took part in the sixth session of the Conference of the Parties of the Convention to Combat Desertification, held in Havana (Cuba) from 25 August to 5 September. The aims of the conference related directly to poverty reduction, rural development and the participatory approach advocated by the Community. On this occasion the ACP countries, the Council and the Commission adopted a joint statement pledging to implement the convention more effectively and improve the consultation machinery. At the UN World Summit on the Information Society (→ point 400), a joint position was put forward by the EU and the ACP countries with a view to mobilising instruments making it possible to develop information technologies in those countries.

*Section 5*

## Humanitarian aid

### Overall strategy

**847.** *General.* In 2003, the European Community's Humanitarian Office (ECHO) <sup>(1)</sup> fulfilled its mandate by providing humanitarian aid to people in third countries on a non-discriminatory basis, thus expressing the EU's solidarity with those affected by conflicts or natural or man-made disasters throughout the world. Operations financed by ECHO were geared to meeting humanitarian needs worldwide, ranging from Europe to trouble-spots in Africa and Asia. Through ECHO the Commission allocated EUR 600.3 million by way of humanitarian aid. The major operations supported by ECHO are indicated below (→ points 851–856)

**848.** *Linking relief, rehabilitation and development (LRRD).* As part of the Commission's policy aimed at linking relief, rehabilitation and development <sup>(2)</sup>, ECHO created and ran an interdepartmental group within the Commission which promoted practical measures for eight countries and two regions (Afghanistan, Angola, Burundi, Cambodia, Ethiopia, Sierra Leone, Sudan and Tajikistan; west Africa and Central America) with the aim of ensuring a seamless transition from relief to longer-term development cooperation.

**849.** *Cooperation with the United Nations and other donors.* ECHO played a key role in backing the adoption of the principles and good practices of humanitarian donorship agreed in Stockholm on 16 and 17 June, according to which humanitarian funding should reflect needs established on the basis of an assessment. This chimed with ECHO's fundamental principles for programming. ECHO also organised, in conjunction with the UN Office for the Coordination of Humanitarian Affairs (OCHA), the launching of new UN guidelines on the use of military and civil defence assets to support UN humanitarian activities in complex emergencies (MCDH). ECHO showed its unrelenting support for the philosophy underpinning those guidelines, namely that humanitarian action should keep its civilian character and be based on humanity, impartiality, neutrality and non-discrimination. The financial and administrative agreement concluded between the Community and the UN to cover, *inter alia*, contractual relations between ECHO and UN partner agencies entered into force on 29 April.

As an active donor, ECHO chaired in June the donors support group (annual meeting of the main donors of the International Committee of the Red Cross) and in November welcomed the launching of the UN's humanitarian aid appeal for 2004.

<sup>(1)</sup> [http://europa.eu.int/comm/echo/index\\_en.htm](http://europa.eu.int/comm/echo/index_en.htm).

<sup>(2)</sup> 2001 General Report, point 920.

850. *Framework of relations with partners.* The new framework partnership contracts concluded with non-governmental organisations (NGOs) and international organisations (Red Cross and Red Crescent) were concluded in 2003 and are due to enter into force on 1 January 2004. These new legal instruments were presented at the annual conference of ECHO partners held on 6 and 7 November. Some 135 NGOs signed their new contract on that occasion.

## Humanitarian aid operations

851. *Africa.* In 2003, aside from the continuing conflicts in Sudan, Somalia and Uganda, the Horn of Africa experienced extreme climatic conditions, such as the serious drought which hit Ethiopia and Eritrea in particular, and flooding. The EUR 42.3 million in assistance supplied by ECHO was allocated to meet the most serious and immediate needs as they arose: health, nutrition, water, sanitation and livestock for displaced persons, children, women and the elderly. This assistance was facilitated by humanitarian flights into the region and also into the Great Lakes region. In Sudan, the EUR 20 million programmed for 2003 was topped up by an emergency decision allocating a further EUR 2 million to help the population of the Darfur region where an upsurge of violence caused around 600 000 people to flee and lose their livelihood. EUR 8 million was allocated to the 'forgotten crisis' in Uganda in view of the spectacular increase in needs in all sectors. Funds allocated to Somalia were increased to EUR 9 million as aid agencies managed to meet observed needs. EUR 2 million was allocated to Ethiopia, supplementing the EUR 4 million allocated to the fight against drought at the end of 2002.

The Great Lakes region continued to have major humanitarian needs. In Burundi, the instalment on 24 November of a new transitional government made up of the former rebel forces for the defence of democracy (CNDD–FDD) represented a major step forward towards ending a civil war which had lasted 10 years. The rebel group FNL refused however to participate in the negotiations and violence continued to destabilise certain regions of the country in which there are more than 280 000 displaced persons plus, according to estimates, the 800 000 Burundian refugees in Tanzania. ECHO maintained its multisector strategy of supplying integrated relief to vulnerable populations, notably displaced persons, returnees and host communities in areas directly affected by the conflicts. In the Democratic Republic of the Congo, ECHO supported relief operations (EUR 44 million) to meet humanitarian needs arising from the collapse of food production and basic care services in a country in the grips of civil war since 1996. ECHO's intervention centred on the supply of emergency relief, improved access to healthcare services and support for food and nutrition programmes. Special attention was devoted to the crisis in Ituri due to the more or less exclusive support given to humanitarian players present in the region.

ECHO's humanitarian priority in Tanzania (EUR 24 million) focused on the country's 500 000 refugees. ECHO supported care and maintenance operations in refugee camps: food aid, logistics, water, sanitation, health, nutrition, accommodation and protection.

The humanitarian crisis in west Africa shifted from Sierra Leone and Guinea to Côte d'Ivoire, then Liberia, so that ECHO-funded aid (EUR 33.2 million) responded chiefly to the permanent wave of domestic and cross-border population movements. The main sectors of intervention were health, nutrition and protection. In southern Africa, improved climatic conditions in most of the region helped boost the supply of food products in general. However, the ongoing political and economic crisis in Zimbabwe and its effects on large sections of the population required ECHO's continuous support. The HIV/AIDS pandemic continued to threaten social cohesion in the countries of southern Africa. With a grant of EUR 52 million, ECHO's intervention in the region was substantial, consisting chiefly of emergency food aid (food supplements for children) and the immediate restoration of agricultural production. Nutritional and medical support was also brought to families and households directly affected by HIV/AIDS. ECHO's financial intervention enabled EUR 21 million to be granted to Angola, the country in the region worst hit by population movements and in which ECHO helped create minimum conditions for the resettlement of those affected by the war. In Malawi, ECHO supported nutritional rehabilitation units throughout the country and financed operations to prevent cholera outbreaks and to supply water and sanitation facilities.

852. *Independent States of the former Soviet Union and the Balkans.* In Chechnya, ECHO established that after three and a half years of conflict, the humanitarian situation of the Chechens in the northern Caucasus had not improved and that essential needs were scarcely being met. Assistance provided by ECHO (EUR 26 million) was targeted on the local population and the large number of displaced persons in Chechnya and in the neighbouring republics of Ingushetia and Dagestan. In view of the large number of war wounded, ECHO supplied aid for surgical, casualty, orthopaedic and rehabilitation services. Victims of the conflict also received, through ECHO funding, basic foodstuffs and temporary accommodation. The civil war from 1992 to 1997 and the serious drought from 1999 to 2001 gave rise to humanitarian needs in Tajikistan. ECHO allocated EUR 10 million to cover food needs (distribution of food packages, work-for-food projects), reduce morbidity and mortality rates (distribution of medicine and medical material) and facilitate access to drinking water (rehabilitation of pumping stations). After 12 years of aid to the Balkans, 2003 was the last year of financing operations (EUR 7.7 million) aimed at supplying aid and lasting solutions for refugees and internally displaced persons. The last ECHO project involved the supply of heating oil for collective centres in Serbia for the winter of 2003–04.

853. *Middle East.* The humanitarian situation in the occupied Palestinian Territories continued to worsen in 2003 and the construction of a separation wall in the West Bank further exacerbated the task of agencies supplying humanitarian aid and increased the vulnerability of the population. The humanitarian needs of at least 430 000 Palestinian refugees in Lebanon did not lessen and ECHO continued to supply them with aid (EUR 38 million), targeting essential sectors such as water and drainage (construction and rehabilitation of public water storage systems), food (work-for-food) and health (supply of emergency medical assistance). ECHO funds allocated to humanitarian assistance for Iraq amounted to nearly EUR 100 million. Even before the start of the war in March the humanitarian situation was already precarious after 20 years of conflict between Iran and Iraq, the

Gulf War and more than 12 years of international sanctions. ECHO's intervention strategy focused on restoring efficient health services by financing the urgent rehabilitation of first aid centres, clinics, institutes for the elderly and laboratories. Training of local medical staff was given priority in the interests of sustainability. ECHO also contributed to improving access to drinking water and the immediate repair of water infrastructure (treatment plants, pumping stations, supply networks), wastewater treatment and pumping stations and sanitation facilities (latrines, showers and washing premises).

854. *Asia.* In response to the regional crisis in Afghanistan, ECHO supplied humanitarian aid worth EUR 55 million. Whereas in 2002, more than two million persons from Pakistan and Iran returned to Afghanistan, a further 700 000 were repatriated during 2003 and 500 000 persons moved back to their region of origin. These factors put pressure on resources and means of survival. Repatriation is likely to continue on a large scale as there are still two to four million Afghan refugees in Pakistan and Iran. Although the serious drought affecting Afghanistan since 1998 has abated, its secondary effects continue to be felt in the south of the country. ECHO also supported humanitarian operations aimed at facilitating the return or swift resettlement of refugees and returnees in areas with high repatriation rates, thanks to the financing of accommodation programmes, improvements to water supply networks and sanitation facilities, income-creating projects and activities and food distribution to those unable to work. In the south, the emphasis was on food projects or 'money-for-work' schemes, concentrating on the repair of irrigation works and drinking water supply or wastewater disposal. ECHO also financed activities to protect the population targeted at those detained in Afghanistan and their families or refugees still in Pakistan and Iran. In North Korea (EUR 17 million), the population had to cope with the cumulative effects of chronic malnutrition, the virtual destruction of the country's economic infrastructure, inadequate food production and the deterioration of the social sector. ECHO was the only large donor operating throughout the country, focusing its action on health, water and sanitation facilities. The beneficiary activities included rehabilitation of 12 hospitals and 12 maternity clinics, supply of basic equipment and medicine to maternal health centres and repair of a factory making artificial limbs.

855. *Latin America.* In Colombia, ECHO had to deal with the deteriorating humanitarian situation caused by an internal conflict which, since 1997, had escalated into large-scale assassinations, violations of human rights and threats, forcing civilians to seek refuge in the interior of the country. ECHO focused aid on displaced persons, supplying them with essential products. After the emergency phase, this aid included the creation of community canteens, the distribution of building materials, repair of small-scale water supply networks and the setting up of mobile first-aid units.

856. *Regional operations.* ECHO implemented its programme of disaster prevention and preparedness (Dipecho) through four action programmes: in central Asia (EUR 3 million), in south Asia (EUR 2.5 million), in the Andean Community (EUR 4 million) and in the Caribbean (EUR 2.5 million). These programmes financed activities aimed at strengthening the capacity of local players (early warning systems).

*Section 6***European Economic Area, relations with countries of the European Free Trade Association (EFTA)****European Economic Area <sup>(1)</sup>**

857. *Enlargement.* Under the EEA Agreement <sup>(2)</sup>, which stipulates that any EU Member State may apply to become a party to the EEA Agreement, an agreement on the participation of the 10 future Member States in the EEA was signed on 14 October (Table III). This agreement lays down the technical amendments necessary for their participation and includes four related agreements: two bilateral agreements with Norway on the Norwegian financial mechanism and on certain agricultural products and additional protocols to the free-trade agreements with Iceland and Norway.

858. *EEA Council.* The enlargement of the EEA was also discussed at the 19th and 20th meetings of the EEA Council, which took place on 15 April <sup>(3)</sup> and 14 October <sup>(4)</sup> respectively. Discussion also focused on the situation in the Middle East, Iraq, the western Balkans, the Convention on the Future of Europe and the arrangements for EFTA participation in various European agencies.

**Relations with EFTA countries <sup>(5)</sup>****Switzerland**

859. *Sectoral agreements.* On 20 February, the Council authorised the Commission to negotiate the renewal of the agreement on scientific and technical cooperation (Table III). On 8 April, it laid down guidelines for two draft decisions, concerning government procurement and the free movement of persons, of the Joint Committees set up by the sectoral agreements signed in 1999 <sup>(6)</sup> (Table II). On 21 July, it adopted negotiating directives for an agreement on trade in agricultural products (Table III). On 17 November, the Council decided to update Annex 11 to the agreement on trade in agricultural products <sup>(7)</sup> to reflect changes in Swiss and Community law on bovine spongiform encephalopathy and the development of the disease (Table II).

<sup>(1)</sup> [http://www.europarl.eu.int/factsheets/6\\_3\\_2\\_en.htm](http://www.europarl.eu.int/factsheets/6_3_2_en.htm).

<sup>(2)</sup> 1994 General Report, point 778.

<sup>(3)</sup> Bull. 4-2003, point 1.6.49. Previous meeting: 2002 General Report, point 854.

<sup>(4)</sup> Bull. 10-2003, point 1.6.46.

<sup>(5)</sup> <http://www.efta.int/>.

<sup>(6)</sup> OJ L 114, 30.4.2002; 2002 General Report, point 855.

<sup>(7)</sup> 2002 General Report, point 855.

**EEA countries**

**860.** *Iceland and Norway.* Following November 2002's bilateral negotiations with Norway on trade in agricultural products, the Council decided to sign, on 20 June, a consolidated arrangement for reciprocal trade in cheese and mutual concessions for a variety of agricultural products, including tariff quotas, which are additional to existing preferences <sup>(1)</sup> (Table III).

Issues relating to asylum and immigration in Iceland and Norway are addressed in Section 1 ('Area of freedom, security and justice') of Chapter V (→ points 505 and 521).

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<sup>(1)</sup> Council Decision 93/239/EEC (OJ L 109, 1.5.1993); Council Decision 95/582/EC (OJ L 327, 30.12.1995).

*Section 7***Relations with the western Balkans** <sup>(1)</sup>**Overview**

861. *The Thessaloniki European Council confirmed the stabilisation and association process as the general framework for the European course of the western Balkan countries, right up to their accession to the Union. The ‘Thessaloniki agenda’ for the western Balkans adopted by the Council on 16 June and endorsed by the European Council, and the Thessaloniki Declaration of the EU–Western Balkans summit, strengthened the stabilisation and association process with elements inspired by the enlargement process. The enriched process constitutes a joint commitment and its implementation will entail a major effort both on the part of the EU and the western Balkan countries. The Commission was invited to put forward and carry out a series of initiatives provided for in this process, such as European partnerships, enhanced support for institution building, participation of the western Balkan countries in Community programmes and agencies, additional financial support and promotion of economic development.*

**General**

862. *Overall situation.* The European authorities closely monitored developments in the western Balkans throughout the year, as indicated by the conclusions issued at regular intervals by the Council, namely on 27 January <sup>(2)</sup>, 24 February <sup>(3)</sup>, 18 March <sup>(4)</sup>, 14 April <sup>(5)</sup>, 20 May <sup>(6)</sup>, 16 June <sup>(7)</sup>, 21 July <sup>(8)</sup>, 29 September <sup>(9)</sup>, 13 October <sup>(10)</sup>, 17 November <sup>(11)</sup> and 9 December <sup>(12)</sup>. These conclusions covered topics such as progress in consolidating constitutional reforms, democratisation and liberalisation of the economy in Serbia and Montenegro, the assassination of the Serbian Prime Minister, Mr Zoran Djindjic, the efforts of the United Nations Interim Administration Mission in Kosovo (UNMIK), cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY), the launching of the European Union’s military operation and the new Police

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/external\\_relations/see/index.htm](http://europa.eu.int/comm/external_relations/see/index.htm)).

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.102.

<sup>(3)</sup> Bull. 1/2-2003, point 1.6.103.

<sup>(4)</sup> Bull. 3-2003, point 1.6.52.

<sup>(5)</sup> Bull. 4-2003, point 1.6.50.

<sup>(6)</sup> Bull. 5-2003, point 1.6.69.

<sup>(7)</sup> Bull. 6-2003, point 1.6.69.

<sup>(8)</sup> Bull. 7/8-2003, point 1.6.92.

<sup>(9)</sup> Bull. 9-2003, point 1.6.74.

<sup>(10)</sup> Bull. 10-2003, point 1.6.48.

<sup>(11)</sup> Bull. 11-2003, point 1.6.46.

<sup>(12)</sup> Bull. 12-2003, point 1.6.82.

Mission in the Former Yugoslav Republic of Macedonia (→ point 879), local elections in Albania, the return of refugees and displaced persons, regional cooperation and the establishment of good neighbourly relations between these countries. The Brussels European Council held on 20 and 21 March <sup>(1)</sup> condemned the assassination of Mr Djindjic and strongly supported the determination of the new Prime Minister of Serbia, Mr Zoran Zivkovic, to pursue the policies promoted by Mr Djindjic, in particular the fight against organised crime and corruption and the comprehensive democratisation of State structures. The European Council also reaffirmed the European Union's total commitment to the region and hoped for further strengthening of the Union's stabilisation and association policy towards the region.

**863.** *EU–Western Balkans summit and forum.* This summit, held on 21 June <sup>(2)</sup> as a follow-up to the Thessaloniki European Council of 19 and 20 June <sup>(3)</sup>, was attended by Mr Costas Simitis, the Prime Minister of Greece and President of the Council, Mr Solana, the High Representative for the CFSP and Secretary-General of the Council, Mr Prodi and Mr Patten, representing the Commission, and the Heads of State or Government of the EU Member States and the Balkan countries. The participants confirmed that the future of the Balkans was within the European Union and agreed as a priority to tackle problems connected with the return of refugees and displaced persons, organised crime, corruption and illegal immigration. Two instruments were adopted at the end of this summit: a joint declaration confirming the EU's unequivocal support for the western Balkans' future in Europe and reaffirming that integration of the western Balkans would proceed under the stabilisation and association process, and a more detailed document, the 'Thessaloniki agenda', which outlines the way forward for the countries concerned in the light of experience gained in the current enlargement process. It was also decided to hold meetings between foreign ministers and justice and home affairs ministers, in addition to summits of heads of State.

The first meeting of foreign ministers of the EU–Western Balkans forum was held in Brussels on 9 December <sup>(4)</sup>, following the meeting of justice and home affairs ministers on 28 November (→ point 545). Joint conclusions were adopted, which underscore the need to discuss issues of common interest, evaluate the progress made by each of the countries in the region in their process of European integration and to inform them about developments in the EU. The Brussels European Council of 12 December <sup>(5)</sup> welcomed these conclusions and the headway made in the stabilisation and association process since its meeting in Thessaloniki. On 9 December <sup>(6)</sup>, the Council also underscored the major political role played by the forum.

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<sup>(1)</sup> Bull. 3-2003, point I.47.

<sup>(2)</sup> Bull. 6-2003, point 1.6.70.

<sup>(3)</sup> Bull. 6-2003, point I.17.

<sup>(4)</sup> Bull. 12-2003, point 1.6.83.

<sup>(5)</sup> Bull. 12-2003, point 1.17.

<sup>(6)</sup> Bull. 12-2003, point 1.6.82.

**864.** *International Criminal Tribunal for the former Yugoslavia (ICTY)* <sup>(1)</sup>. The Council repeatedly reiterated the need for all the parties involved to cooperate with the ICTY (→ point 862). On 16 April, it drew up a Common Position <sup>(2)</sup> which supports effective implementation of the mandate of the ICTY and sets out measures that have to be implemented to prevent those persons listed in the annex who are engaged in activities likely to hinder the work of the tribunal from entering or transiting Member State territory. The list was updated on 27 June <sup>(3)</sup>.

**865.** *Stability and Growth Pact for South-Eastern Europe*. On 16 June, the Council extended to 31 December Mr Erhard Busek's mandate as European Union special representative to include his acting as Special Coordinator of the Stability Pact <sup>(4)</sup>. On 22 December <sup>(5)</sup>, because of the expiry of the joint action concerning his mandate <sup>(6)</sup>, the Council reappointed Mr Busek as Special Coordinator of the Stability Pact for the period from 1 January to 31 December 2004. On 2 July, the Commission proposed extending the scope of Regulation (EC) No 1080/2000 to cover support for the Stability Pact as well as for the United Nations Interim Administration Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR) <sup>(7)</sup>. This was duly done by the Council on 27 November (Table II).

**866.** *European Union Monitoring Mission (EUMM)*. On 29 July, the Council appointed Ms Maryse Daviet as Head of Mission <sup>(8)</sup> and repealed Decision 2002/922/CFSP extending the mandate of her predecessor <sup>(9)</sup>. On 5 December, it extended the mandate of the Monitoring Mission <sup>(10)</sup> until 31 December 2004 and extended the mandate of Ms Daviet for that period <sup>(11)</sup>.

**867.** *Combating the spread of small arms*. On 17 November <sup>(12)</sup>, the Council decided to allocate a further EUR 100 000 to the EU contribution to combating the accumulation and spread of small arms and light weapons in south-eastern Europe <sup>(13)</sup>.

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<sup>(1)</sup> <http://www.un.org/icty/index.html>.

<sup>(2)</sup> Common Position 2003/280/CFSP (OJ L 101, 23.4.2003; Bull. 4-2003, point 1.6.51).

<sup>(3)</sup> Decision 2003/484/CFSP (OJ L 162, 1.7.2003; Bull. 6-2003, point 1.6.73).

<sup>(4)</sup> Joint Action 2003/449/CFSP (OJ L 150, 18.6.2003; Bull. 6-2003, point 1.6.72).

<sup>(5)</sup> Decision 2003/910/EC (OJ L 342, 30.12.2003; Bull. 12-2003, point 1.6.84).

<sup>(6)</sup> 2002 General Report, point 862.

<sup>(7)</sup> OJ L 122, 24.5.2000; 2000 General Report, point 900.

<sup>(8)</sup> Decision 2003/562/CFSP (OJ L 190, 30.7.2003; Bull. 7/8-2003, point 1.6.93).

<sup>(9)</sup> OJ L 321, 26.11.2002; 2002 General Report, point 861.

<sup>(10)</sup> Joint Action 2003/852/CFSP (OJ L 322, 9.12.2003; Bull. 12-2003, point 1.6.80; 2002 General Report, point 861).

<sup>(11)</sup> Decision 2003/853/CFSP (OJ L 322, 9.12.2003; Bull. 12-2003, point 1.6.81).

<sup>(12)</sup> Decision 2003/807/CFSP (OJ L 302, 20.11.2003; Bull. 11-2003, point 1.6.47).

<sup>(13)</sup> 2002 General Report, point 759.

## Stabilisation and association agreements and prospects for accession <sup>(1)</sup>

868. *Overall assessment.* The Commission presented its second annual report on the stabilisation and association process for south-eastern Europe on 26 March <sup>(2)</sup>. Concerning accession to the European Union, it reconfirmed the prospects of the countries concerned and noted that substantial progress had been made towards stabilising the region, but pointed out that there were nevertheless shortcomings and that progress on reforms was slow in many sectors and in several of the countries. It also highlighted various measures that might be considered with a view to consolidating the process and further closing the gap between the European Union and the countries in question. On 14 April <sup>(3)</sup>, the Council welcomed the Commission report, which had preceded the Council's own annual conclusions of 16 June <sup>(4)</sup> on the stabilisation and association process. Reinforcement of the process was also supported by the European Parliament which, in a resolution of 5 June <sup>(5)</sup>, suggested the deployment of policy instruments similar to those used in the current enlargement and called for the introduction of annual benchmarks for each country and each of the economic and political criteria adopted in Copenhagen in 1993. Parliament approved the second annual report on 20 November <sup>(6)</sup>. Similarly, in opinions of 15 May <sup>(7)</sup> and 11 December <sup>(8)</sup>, the European Economic and Social Committee put forward proposals for strengthening the role of civil society in south-eastern Europe. In an opinion of 19 November <sup>(9)</sup>, the Committee of the Regions said that local and regional authorities could play a vital role at local level in supporting the process of stabilisation and association with the western Balkan countries.

869. In a communication of 21 May <sup>(10)</sup>, the Commission suggested introducing elements of the current EU enlargement process to strengthen the ultimate objective of EU enlargement to the countries of the western Balkans. To that end, on 13 November it proposed establishing a legal basis for future partnerships <sup>(11)</sup> (Table I). In a communication of 3 December <sup>(12)</sup>, it established a general framework for these countries to participate in Community programmes and agencies. On 16 December, it proposed amending a series of regulations so that all legal and natural persons involved in the stabilisation and association process could take part in invitations to tender and contracts already accessible to the countries engaged in the pre-accession process (Table II).

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<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/see/actions/index.htm](http://europa.eu.int/comm/external_relations/see/actions/index.htm).

<sup>(2)</sup> COM(2003) 139; Bull. 3-2003, point 1.6.53. Previous report: COM(2002) 163 and 2002 General Report, point 860.

<sup>(3)</sup> Bull. 4-2003, point 1.6.50.

<sup>(4)</sup> Bull. 6-2003, point 1.6.69.

<sup>(5)</sup> Bull. 6-2003, point 1.6.71.

<sup>(6)</sup> Bull. 11-2003, point 1.6.53.

<sup>(7)</sup> OJ C 208, 3.9.2003; Bull. 5-2003, point 1.6.67.

<sup>(8)</sup> Bull. 12-2003, point 1.6.85.

<sup>(9)</sup> Bull. 11-2003, point 1.6.52.

<sup>(10)</sup> COM(2003) 285; Bull. 5-2003, point 1.6.68.

<sup>(11)</sup> 1999 General Report, point 757.

<sup>(12)</sup> COM(2003) 748; Bull. 12-2003, point 1.6.78.

870. *Developments regarding the agreements.* On 5 September, the Commission proposed issuing a codified version of Regulation (EC) No 2007/2000 and subsequent amending instruments on exceptional trade measures for the western Balkan countries introduced in connection with the stabilisation and association process (Table II). On 29 September, the Council authorised the Commission to negotiate adjustments to the stabilisation agreements concluded in 2001 with the Former Yugoslav Republic of Macedonia <sup>(1)</sup> and Croatia <sup>(2)</sup> because of the accession of 10 new Member States (Table III).

On 31 January, negotiations for an association and stabilisation agreement with Albania were officially launched by Mr Prodi, President of the Commission, and Mr Fatos Nano, Albania's Prime Minister. During the course of the year, seven negotiating rounds were held, addressing issues such as political dialogue, regional cooperation, movement of workers, and trade in goods and services. On 9 December <sup>(3)</sup>, the Council expressed its concern at the slow pace of reforms in Albania.

On 18 November <sup>(4)</sup>, the Commission presented its report on the preparedness of Bosnia and Herzegovina to negotiate a stabilisation and association agreement with the EU. Although it noted significant progress on the economic and political criteria, it nonetheless pointed out that many fundamental reforms had yet to be accomplished. It set priorities for 2004, which if implemented, could lead to the opening of negotiations for a stabilisation and association agreement. On 9 December <sup>(3)</sup>, the Council approved these guidelines.

## Technical and financial assistance

871. As the financial constraints besetting the country had worsened it was decided to increase the amount of additional macrofinancial aid granted to Serbia and Montenegro (→ point 121). On 23 December, in view of Albania's large balance of payments deficit, the Commission also proposed that it should be granted exceptional macrofinancial aid of up to EUR 25 million, on top of the EUR 46.5 million already granted (Table II).

872. *Statistics.* Table 17 gives a breakdown of assistance for the Balkans in 2003 by instrument and by recipient country/region.

## Regional cooperation and bilateral relations

873. Presidency statements on behalf of the European Union concerning the countries in the western Balkans are shown in Table 15 (→ point 764).

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<sup>(1)</sup> 2001 General Report, point 974.

<sup>(2)</sup> 2001 General Report, point 975.

<sup>(3)</sup> Bull. 12-2003, point 1.6.82.

<sup>(4)</sup> COM(2003) 692; Bull. 11-2003, point 1.6.54.

**Table 17**

<b>Aid for the Balkans (not including humanitarian aid or macrofinancial assistance)</b>			
	<b>CARDS <sup>(1)</sup></b>	<b>Other programmes</b>	<b>Total</b>
			<i>(million EUR)</i>
Albania	46.5		46.5
Former Yugoslav Republic of Macedonia	43.5		43.5
Bosnia and Herzegovina	63.0		63.0
Croatia	62.0		62.0
Serbia and Montenegro	324.3	2.2 <sup>(2)</sup>	326.5
Of which:			
— Kosovo	69.3		69.3
— Montenegro	15.0		15.0
— Serbia	240.0		240.0
Regional cooperation	32.5		32.5
Administrative expenditure	17.1		17.1
Civil administrations <sup>(2)</sup>	32.0		32.0

<sup>(1)</sup> Community assistance for reconstruction, development and stabilisation.  
<sup>(2)</sup> Transitional civil administrations.

**874. Regional cooperation.** On 14 April <sup>(1)</sup>, the Council reaffirmed the importance of regional cooperation as one of the main elements in the stabilisation and association process and therefore welcomed the outcome of the Belgrade summit on the south-eastern Europe cooperation process.

**875. Albania.** On 31 January, Mr Prodi visited Albania where he met key figures in the administration and addressed the Albanian Parliament. During his visit, he officially opened negotiations for a stabilisation and association agreement with Albania. On 12 February, the sixth EC–Albania Joint Committee under the trade and cooperation agreement was held in Tirana. On 8 May, the Albanian Foreign Minister, Mr Ilir Meta, went to Brussels where he met Mr Prodi and Mr Patten. On 14 April <sup>(2)</sup>, the Council approved a contribution of EUR 820 000 towards the destruction of surplus ammunition for small arms and light weapons in Albania, pursuant to Decision 2002/589/CFSP. Negotiations for an agreement between the Community and Albania on the readmission of persons residing without authorisation were concluded on 5 November.

**876. Bosnia and Herzegovina.** On 27 January <sup>(3)</sup>, the Council welcomed the successful start of operations on 1 January by the European Union Police Mission (EUPM) following its creation in 2002 <sup>(4)</sup>. This was the first operation under the common European security and defence policy (→ point 759). On 17 March <sup>(5)</sup>, the Council amended the scope of the

<sup>(1)</sup> Bull. 4-2003, point 1.6.50.

<sup>(2)</sup> Decision 2003/276/CFSP (OJ L 99, 17.4.2003; Bull. 4-2003, point 1.6.53).

<sup>(3)</sup> Bull. 1/2-2003, point 1.6.108.

<sup>(4)</sup> Joint Action 2002/210/CFSP (OJ L 70, 13.3.2002; 2002 General Report, point 875).

<sup>(5)</sup> Joint Action 2003/188/CFSP (OJ L 73, 19.3.2003; Bull. 3-2003, point 1.6.58).

joint action setting up the EUPM. On 27 February <sup>(1)</sup> and 8 December <sup>(2)</sup>, it adjusted the costs for its implementation. On 21 July <sup>(3)</sup>, it approved an agreement with the Russian Federation on the latter's participation in the mission. In a statement made on 29 September <sup>(4)</sup>, in the light of the EU–Western Balkans summit of 21 June (→ point 863), the Council set out the respective obligations of the Union and Bosnia–Herzegovina with regard to achieving closer relations. This would involve initiating a regular dialogue and establishing the new forms of cooperation required of a potential candidate for accession to the Union. On 17 September <sup>(5)</sup>, Mr Adnan Terzic and Mr Mladen Ivanic, Prime Minister and Foreign Minister respectively, were received in Brussels by Mr Prodi, President of the Commission, and Mr Solana, High Representative of the CFSP.

**877. Croatia.** On 20 February, Croatia presented its application for accession to the European Union. On 14 April, the Council decided to implement the procedure under Article 49 of the Treaty of the European Union, and requested the Commission to submit its opinion on this application to the Council. During his visit to Croatia on 12 and 13 March <sup>(6)</sup>, Mr Patten met Croatia's President Stjepan Mesic, European Integration Minister Neven Mimica, Deputy Prime Minister Slavko Linic and Speaker Zlatko Tomcic of the Croatian Parliament. Mr Patten also attended meetings of the external affairs and European integration committees. A series of questions was transmitted to the Croatian authorities by Mr Prodi during his visit to Croatia on 10 July, aimed at obtaining an accurate picture of the situation, to which the Croatian authorities replied in October. On 9 October, Prime Minister Ivica Racan, Foreign Minister Tonino Picula and European Integration Minister Neven Mimica went to Brussels for meetings with Mr Solana, CFSP High Representative, and Mr Verheugen, Member of the Commission <sup>(7)</sup>. The representatives of the two institutions, acknowledging the progress made by Croatia, spoke of the possibility of a positive opinion on its application for accession. Mr Pat Cox, President of the European Parliament, paid a visit to Croatia on 28 and 29 September, as did Mr Verheugen on 13 November, when he met President Mesic, Prime Minister Racan, Foreign Minister Picula, and Speaker Tomcic of the Parliament as well as the leaders of the political parties. On 9 December <sup>(8)</sup>, the Council expressed its satisfaction at Croatia's compliance with international standards during the general elections. With a view to its application for accession, the Council also encouraged Croatia to meet the Copenhagen criteria.

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<sup>(1)</sup> Joint Action 2003/141/CFSP (OJ L 53, 28.2.2003; Bull. 1/2-2003, point 1.6.109).

<sup>(2)</sup> Decision 2003/856/CFSP (OJ L 323, 10.12.2003; Bull. 12-2003, point 1.6.92).

<sup>(3)</sup> Decision 2003/582/CFSP (OJ L 197, 5.8.2003; Bull. 7/8-2003, point 1.6.95).

<sup>(4)</sup> Bull. 9-2003, point 1.6.83.

<sup>(5)</sup> Bull. 9-2003, point 1.6.82.

<sup>(6)</sup> Bull. 3-2003, point 1.6.59.

<sup>(7)</sup> Bull. 10-2003, point 1.6.51.

<sup>(8)</sup> Bull. 12-2003, point 1.6.82.

878. *Serbia and Montenegro.* In its regular conclusions on the situation in the Balkans (→ point 862), the Council repeatedly welcomed the progress this country had made on constitutional reforms. It nonetheless emphasised the importance of implementing these reforms rapidly. On 21 July <sup>(1)</sup>, the Council welcomed the finalisation of the internal market and trade action plan which, once endorsed by the State Union Assembly, would allow the Commission to start a feasibility study on opening negotiations on a stabilisation and association agreement. In a statement made on 29 September <sup>(2)</sup>, in the light of the EU–Western Balkans summit of 21 June (→ point 863), the Council set out the respective obligations of the Union and Serbia and Montenegro with regard to achieving closer relations. This would involve initiating a regular political dialogue and establishing the new forms of cooperation required of a potential candidate for accession to the Union.

On 14 March <sup>(3)</sup>, Mr Patten went to Belgrade, where he met Mr Svetozar Marovic and Mr Goran Svilanovic, respectively the President and Foreign Minister of Serbia and Montenegro, and Mr Nebojsa Covic, Acting Serbian Prime Minister since the assassination of Mr Djindjic, and the newly appointed Prime Minister, Mr Zoran Zivkovic. Mr Patten also held talks with the Speaker of the Serbian Parliament and Acting Serbian President, Ms Natasa Micic. On 10 and 11 September <sup>(4)</sup>, Mr Patten visited Pristina, where he saw Mr Harri Holkeri, the new special representative of the UN Secretary-General, and the President and Prime Minister of Kosovo's Provisional Institutions of Self-Government (PISG) and addressed the PISG Assembly for the first time. With Mr Pat Cox, President of the European Parliament, Mr Patten returned to Belgrade on 12 and 29 September <sup>(5)</sup>. There they met the President of the State Union of Serbia and Montenegro and the Prime Ministers of both Republics.

Mr Solana, Secretary-General of the Council and High Representative for the CFSP, and Mr Patten, Member of the Commission, went to Vienna on 14 October to participate in the opening of the dialogue between Pristina and Belgrade <sup>(6)</sup>, organised by the United Nations Interim Mission in Kosovo (UNMIK) and sponsored by the European Union, the North Atlantic Treaty Organisation (NATO) and the Organisation for Security and Cooperation in Europe (OSCE). In its conclusions on the western Balkans of 17 November <sup>(7)</sup>, the Council considered that opening this dialogue was a vital factor in the region's return to stability. On 15 December, Mr Solana went to Belgrade where he met the President of the State Union of Serbia and Montenegro, the Prime Minister of Serbia and former President Vojislav Kostunica.

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<sup>(1)</sup> Bull. 7/8-2003, point 1.6.92.

<sup>(2)</sup> Bull. 9-2003, point 1.6.86.

<sup>(3)</sup> Bull. 3-2003, point 1.6.61.

<sup>(4)</sup> Bull. 9-2003, point 1.6.87.

<sup>(5)</sup> Bull. 9-2003, point 1.6.85.

<sup>(6)</sup> Bull. 10-2003, point 1.6.54.

<sup>(7)</sup> Bull. 11-2003, point 1.6.46.

**879.** *Former Yugoslav Republic of Macedonia.* The EU's willingness to take over from the North Atlantic Treaty Organisation (NATO) in this republic, expressed by the European Council at its Seville and Brussels <sup>(1)</sup> meetings in 2002, was given concrete shape in 2003. The Council approved the principle of a military operation <sup>(2)</sup> and established an operational financing mechanism <sup>(3)</sup>. On 18 March, it took the formal decision to launch the operation <sup>(4)</sup> with immediate effect, decided that it should last for an estimated six months and outlined the operation in conclusions of that date <sup>(5)</sup>. On 21 March, it concluded an agreement with the countries concerned defining the status of the EU-led forces (EUF) <sup>(6)</sup>, Parliament having welcomed the prospective mission on 13 March <sup>(7)</sup>. Confirming its conclusions of 21 July <sup>(8)</sup>, the Council decided on 29 July to extend the 'Concordia' military mission to 15 December and appointed Major General Luis Nelson Ferreira dos Santos as EUF Commander <sup>(9)</sup>. The Council also signed agreements with Turkey on 4 September, Lithuania on 9 September <sup>(10)</sup>, Estonia on 28 July <sup>(11)</sup>, Poland on 29 September <sup>(12)</sup> and Slovakia on 9 December <sup>(13)</sup> to enable them to participate in 'Concordia'. On 16 June, the mandate of Mr Alexis Brouhns as EU special representative to the Former Yugoslav Republic of Macedonia <sup>(14)</sup> was extended to 31 December <sup>(15)</sup> and widened to include monitoring of the military mission in consultation with the EUF commander. On 8 December <sup>(16)</sup> it was extended to 30 June 2004.

On 29 September, the Council approved both the principle <sup>(17)</sup> of a Police Mission (*EUPM*) — subsequently code-named *Proxima* — in the Former Yugoslav Republic of Macedonia and the fact that it should start <sup>(18)</sup> by 15 December. On the same date it appointed Mr Bart D'Hooge to head the mission <sup>(19)</sup>. On 17 November <sup>(20)</sup>, the Council invited non-EU European countries and NATO partners to take part in the mission. On 27 November <sup>(21)</sup>, it authorised the CFSP High Representative, Mr Solana, to open negotiations with the FYROM concerning *Proxima*.

<sup>(1)</sup> Bull. 6-2002, point I.7 (Seville); Bull. 10-2002, point I.12 (Brussels); 2002 General Report, point 878.

<sup>(2)</sup> Joint Action 2003/92/CFSP (OJ L 34, 11.2.2003; Bull. 1/2-2003, point 1.6.104).

<sup>(3)</sup> Bull. 1/2-2003, point 1.6.105.

<sup>(4)</sup> Decision 2003/202/CFSP (OJ L 76, 22.3.2003; Bull. 3-2003, point 1.6.55).

<sup>(5)</sup> Bull. 3-2003, point 1.6.56.

<sup>(6)</sup> Decision 2003/222/CFSP (OJ L 82, 29.3.2003; Bull. 3-2003, point 1.6.57).

<sup>(7)</sup> Bull. 3-2003, point 1.6.54.

<sup>(8)</sup> Bull. 7/8-2003, point 1.6.97.

<sup>(9)</sup> Decision 2003/563/CFSP (OJ L 190, 30.7.2003; Bull. 7/8-2003, point 1.6.98).

<sup>(10)</sup> Bull. 9-2003, point 1.6.77.

<sup>(11)</sup> Bull. 7/8-2003, point 1.6.96.

<sup>(12)</sup> Bull. 9-2003, point 1.6.78.

<sup>(13)</sup> Bull. 12-2003, point 1.6.90.

<sup>(14)</sup> Joint Action 2002/963/CFSP (OJ L 344, 11.12.2002; 2002 General Report, point 878).

<sup>(15)</sup> Joint Action 2003/446/CFSP (OJ L 150, 18.6.2003; Bull. 6-2003, point 1.6.75).

<sup>(16)</sup> Joint Action 2003/870/CFSP (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.89).

<sup>(17)</sup> Bull. 9-2003, point 1.6.79.

<sup>(18)</sup> Joint Action 2003/681/CFSP (OJ L 249, 1.10.2003; Bull. 9-2003, point 1.6.80).

<sup>(19)</sup> Decision 2003/682/CFSP (OJ L 249, 1.10.2003; Bull. 9-2003, point 1.6.81).

<sup>(20)</sup> Bull. 11-2003, point 1.6.56.

<sup>(21)</sup> Bull. 11-2003, point 1.6.57.

## Section 8

# Relations with the southern Mediterranean and the Middle East <sup>(1)</sup>

## Overview

880. *The European Union reaffirmed the strategic importance of the Mediterranean region on several occasions and demonstrated its determination to reinforce the Euro-Mediterranean partnership. The sixth Euro-Mediterranean conference of foreign ministers in Naples and the sectoral ministerial conferences brought about significant progress, thus putting into effect the Barcelona process guidelines. On the eve of enlargement, the EU expressed its wish to transform the Mediterranean Basin, together with its new neighbours, into an area of dialogue, cooperation, peace and stability. It also reiterated its desire to forge close links with the Arab world and to step up dialogue between cultures, religions and civilisations. The war in Iraq and heightened tension in the Middle East provided the backdrop to relations between the European Union and the countries of the southern Mediterranean and Middle East region. The EU advocated a central role for the United Nations in the Iraq crisis and later contributed to the reconstruction effort. It also confirmed its support for the Middle East peace process.*

## Multilateral approach

881. *Euro-Mediterranean ministerial conference in Naples* <sup>(2)</sup>. The sixth Euro-Mediterranean conference on 2 and 3 December <sup>(3)</sup> brought together foreign ministers from the 25 Member States of the enlarged Union and their counterparts from the EU's 10 Mediterranean partner countries. The main topics of discussion were the development of the Euro-Mediterranean partnership since the start of the Barcelona process <sup>(4)</sup> and the creation of a Euro-Mediterranean Parliamentary Assembly, a Euro-Mediterranean Bank and a Euro-Mediterranean Foundation for the Dialogue of Cultures. The Brussels European Council of 12 December <sup>(5)</sup> welcomed the results of the conference. At Community level, the preparation of the Naples conference was the subject of a Commission communication on 15 October <sup>(6)</sup> and of Committee of the Regions and Parliament resolutions on 20 November <sup>(7)</sup>. Prior to the meeting, the European Council in Brussels on 16 and 17 October <sup>(8)</sup> also spoke of its determination to develop the Euro-Mediterranean partnership.

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/external\\_relations/med\\_mideast/intro/index.htm](http://europa.eu.int/comm/external_relations/med_mideast/intro/index.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/external\\_relations/euromed/conf/naples/index.htm](http://europa.eu.int/comm/external_relations/euromed/conf/naples/index.htm).

<sup>(3)</sup> Bull. 12-2003, point 1.6.94. Previous conference: 2002 General Report, point 880.

<sup>(4)</sup> 1995 General Report, point 839; Internet ([http://europa.eu.int/comm/external\\_relations/euromed/bd.htm](http://europa.eu.int/comm/external_relations/euromed/bd.htm)).

<sup>(5)</sup> Bull. 12-2003, point 1.20.

<sup>(6)</sup> COM(2003) 610; Bull. 10-2003, point 1.6.56.

<sup>(7)</sup> Bull.11-2003, point 1.6.61 and 1.6.62.

<sup>(8)</sup> Bull. 10-2003, point 1.23.

**882.** *Euro-Mediterranean ministerial conferences.* At sectoral level, a Euro-Mediterranean conference of foreign ministers was held on Crete on 26 and 27 May <sup>(1)</sup>, at which the participants took stock of the implementation of the Valencia action plan adopted in 2002 <sup>(2)</sup> and discussed their relations with the new neighbours in the enlargement context. The Thessaloniki European Council <sup>(3)</sup> welcomed the results of this conference, in particular the adoption of the guiding principles of the dialogue between cultures and civilisations. On 7 July <sup>(4)</sup>, Mr Lamy represented the Commission at a meeting in Palermo of trade ministers of the Mediterranean countries and current and future EU Member States. Together they reviewed the implementation of the trade dimension of the Barcelona process and the Doha Development Agenda <sup>(5)</sup>, and coordinated positions ahead of the fifth WTO ministerial conference (→ point 781). On 27 November <sup>(6)</sup>, the first Euro-Mediterranean conference of agriculture ministers took place in Venice, dealing mainly with fisheries. On 1 and 2 December, a conference of energy ministers was held in Rome where they discussed a new Euro-Mediterranean partnership for investment promotion, infrastructure financing and security of energy supply. The European Council of 12 December <sup>(7)</sup> noted with satisfaction the outcome of all the ministerial conferences.

**883.** *Relations with the 'new neighbours'.* On the eve of enlargement, several initiatives were taken to establish a new framework for relations with the neighbours of a wider Europe, notably the countries of the southern Mediterranean (→ point 1012).

**884.** *Euro-Mediterranean partnership sectoral aspects.* On 25 September <sup>(8)</sup>, the European Economic and Social Committee delivered an opinion on the importance of increasing the national and regional involvement of organised civil society in the Euro-Mediterranean partnership. Matters relating to trans-Euro-Mediterranean networks are covered in Section 12 ('Trans-European networks') of Chapter II (→ point 433).

**885.** Statements by the Presidency on behalf of the EU and Parliament resolutions concerning human rights in the southern Mediterranean and the Middle East can be found in Table 3 (→ point 92) and Table 15 (→ point 764) respectively.

## Maghreb

**886.** *Algeria.* During a visit to Algeria on 30 March <sup>(9)</sup>, Mr Prodi met President Abdelaziz Bouteflika and Mr Ali Benflis, the Prime Minister.

<sup>(1)</sup> Bull. 5-2003, point 1.6.72; Internet ([http://europa.eu.int/comm/external\\_relations/euromed/conf/cret/index.htm](http://europa.eu.int/comm/external_relations/euromed/conf/cret/index.htm)).

<sup>(2)</sup> 2002 General Report, point 880; Internet ([http://europa.eu.int/comm/external\\_relations/euromed/conf/val/index.htm](http://europa.eu.int/comm/external_relations/euromed/conf/val/index.htm)).

<sup>(3)</sup> Bull. 6-2003, point 1.26.

<sup>(4)</sup> SEC(2003) 822; Bull. 7/8-2003, point 1.6.99.

<sup>(5)</sup> 2001 General Report, point 876.

<sup>(6)</sup> Bull. 11-2003, point 1.6.64.

<sup>(7)</sup> Bull. 12-2003, point 1.18.

<sup>(8)</sup> OJ C 10, 14.1.2004; Bull. 9-2003, point 1.6.88.

<sup>(9)</sup> Bull. 3-2003, point 1.6.64.

887. *Morocco*. At its third meeting in Brussels on 24 February <sup>(1)</sup>, the EU–Morocco Association Committee discussed implementation of the 2000 association agreement <sup>(2)</sup> and Morocco’s request for an ‘advanced status’ of integration. On 19 and 20 May <sup>(3)</sup>, the Council strongly condemned the terrorist attack in Casablanca on 17 May and emphasised the importance of combating the threat of terrorism. On 26 June, an agreement on scientific and technological cooperation with Morocco was signed (→ point 376). The Prime Minister of Morocco, Mr Driss Jettou, met Mr Prodi, Mr Patten and Mr Lamy on 17 June <sup>(4)</sup>. On 22 December, the Council decided to conclude an agreement replacing agricultural protocols 1 and 3 to the association agreement with a view to greater liberalisation of trade in agricultural products (Table III).

888. *Tunisia*. During his visit to Tunisia on 31 March and 1 April <sup>(5)</sup>, Mr Prodi held talks with President Zine El Abidine Ben Ali and Prime Minister Mohammed Ghannouchi. On 26 June, the Community signed an agreement on scientific and technological cooperation with Tunisia (→ point 376). The fourth meeting of the EU–Tunisia Association Council was held in Brussels on 30 September <sup>(6)</sup>.

889. *Libya*. On 3 October, the Commission proposed the repeal of Regulation (EC) No 3274/93 <sup>(7)</sup> preventing the supply of certain goods and services to Libya in order to bring it into line with UN Security Council Resolution 1506 (2003) which lifts with immediate effect the measures imposed by Resolutions 748 (1992) and 883 (1993) (Table II). In May, in response to the Council’s invitation of 18 November 2002 pointing out the need for cooperation with third countries on the management of migration flows <sup>(8)</sup>, the Commission conducted an exploratory mission to raise the matter with the authorities in Tripoli.

## Middle East

890. *Situation in the Middle East*. The Brussels European Council of 20 and 21 March <sup>(9)</sup>, reiterating the Council conclusions of 18 March <sup>(10)</sup>, stressed the importance of relaunching the Middle East peace process by implementing the road map approved by the Quartet <sup>(11)</sup> on 20 December 2002 <sup>(12)</sup>. On 19 and 20 May <sup>(13)</sup>, the Council condemned

<sup>(1)</sup> Bull. 1/2-2003, point 1.6.111. Previous meeting: 2002 General Report, point 886.

<sup>(2)</sup> OJ L 70, 18.3.2000; 2000 General Report, point 916.

<sup>(3)</sup> Bull. 5-2003, point 1.6.73.

<sup>(4)</sup> Bull. 6-2003, point 1.6.78.

<sup>(5)</sup> Bull. 4-2003, point 1.6.56.

<sup>(6)</sup> Bull. 9-2003, point 1.6.89.

<sup>(7)</sup> OJ L 295, 30.11.1993.

<sup>(8)</sup> 2002 General Report, point 462.

<sup>(9)</sup> Bull. 3-2003, point 1.46.

<sup>(10)</sup> Bull. 3-2003, point 1.6.68.

<sup>(11)</sup> European Union, United States, Russia, United Nations.

<sup>(12)</sup> 2002 General Report, point 889.

<sup>(13)</sup> Bull. 5-2003, point 1.6.76.

the suicide bombings in the Middle East, calling for an end to terrorist acts and compliance with international law. On 16 June <sup>(1)</sup>, it stated that Hamas must accept the Palestinian Authority's offer and agree to a total ceasefire. On 21 July <sup>(2)</sup>, it declared its support for the Prime Minister of the Palestinian Authority and welcomed the efforts of Egypt, Jordan and the United States to seek a resolution to the conflict. On the same day <sup>(3)</sup>, the Council appointed Mr Marc Otte as EU Special Representative for the Middle East peace process to succeed Mr Miguel Angel Moratinos, whose mandate had been extended and widened on 16 June to include security issues <sup>(4)</sup>. The Council subsequently amended and extended Mr Otte's mandate on 8 December <sup>(5)</sup>. On 29 September <sup>(6)</sup>, the Council urged the Government of Israel to exert maximum effort to avoid civilian casualties. The European Council of 16 and 17 October <sup>(7)</sup> called on all sides in the region to make every effort to facilitate dialogue and negotiations, noting that the EU's relationship with those who would take steps to the contrary would be inevitably affected by such behaviour. The Council expressed particular concern at the route marked out for the so-called security fence in the Occupied West Bank which might jeopardise the two-State solution. On 23 October <sup>(8)</sup>, Parliament spoke of securing a climate of peace and dignity in the Middle East, based in particular on the introduction of a policy of 'education for peace'. The European Council of 12 December <sup>(9)</sup> called on the Palestinian Authority to fight against terrorism and extremist violence and on the Israeli government to reverse its settlement policy and to dismantle settlements built after March 2001. It also welcomed initiatives from civil societies, including the Geneva peace initiative.

891. *Egypt*. On 28 and 29 April <sup>(10)</sup>, Ms Fayza Abounnaga, the Minister of State for Foreign Affairs, and Mr Ali al-Saidi, Minister for Industry and Technological Development, met Mr Busquin, Mr Liikanen and Mr Patten in Brussels. At a ministerial meeting between the EU and Egypt on 17 June <sup>(11)</sup>, talks were held on the ratification of the association agreement <sup>(12)</sup> by the Egyptian Parliament, interim trade arrangements, the EU's new neighbours and the MEDA programme <sup>(13)</sup>. On 18 December, the Council decided to conclude an agreement on the provisional application of the trade and trade-related provisions of the association agreement (Table III).

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<sup>(1)</sup> Bull. 6-2003, point 1.6.82.

<sup>(2)</sup> Bull. 7/8-2003, point 1.6.106.

<sup>(3)</sup> Joint Action 2003/537/CFSP (OJ L 184, 23.7.2003; Bull. 7/8-2003, point 1.6.105).

<sup>(4)</sup> Joint Action 2003/445/CFSP (OJ L 150, 18.6.2003; Bull. 6-2003, point 1.6.83).

<sup>(5)</sup> Joint Action 2003/873/CFSP (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.100).

<sup>(6)</sup> Bull. 9-2003, point 1.6.93.

<sup>(7)</sup> Bull. 10-2003, point 1.27.

<sup>(8)</sup> Bull. 10-2003, point 1.6.61.

<sup>(9)</sup> Bull. 12-2003, point 1.20.

<sup>(10)</sup> Bull. 4-2003, point 1.6.57.

<sup>(11)</sup> Bull. 6-2003, point 1.6.84.

<sup>(12)</sup> 2001 General Report, point 1004.

<sup>(13)</sup> Regulation (EC) No 2698/2000 (OJ L 311, 12.12.2000; 2000 General Report, point 928).

892. *Israel*. On 10 June, the Community signed an agreement on scientific and technological cooperation with Israel (→ point 376). On 13 November, the Commission proposed details of various operational arrangements for the Association Council set up under the 2000 association agreement with Israel <sup>(1)</sup> (Table II). At the fourth meeting of the Association Council in Brussels on 17 and 18 November <sup>(2)</sup>, the main topics of discussion were the situation in the Middle East and Israel's position in the conflict. On 4 November, the Commission proposed amendments to the liberalisation scheme for agricultural imports (Table III).

893. *Jordan*. Under the association agreement <sup>(3)</sup>, the Council decided on 21 July <sup>(4)</sup> to set up a social affairs working party and several specialist subcommittees. The Association Council held its second meeting on 14 October <sup>(5)</sup>.

894. *Lebanon*. On 16 January <sup>(6)</sup>, Parliament expressed its confidence in the draft Euro-Mediterranean association agreement between the Community and Lebanon which was in the process of adoption (Table III). On a visit to Lebanon on 6 and 7 February <sup>(7)</sup>, Mr Patten had talks with the Lebanese President, Mr Emile Lahud.

895. *Syria*. During his visit to Syria on 15 and 16 September <sup>(8)</sup>, Mr Patten met President Bashar Al-Assad and discussed negotiations on a future association agreement covering political, economic, social and cultural relations.

896. *Palestinian refugees*. On 19 May <sup>(9)</sup>, the Council extended by a further 12 months the validity of the permits granted by the Member States in 2002 <sup>(10)</sup> to the 13 Palestinians evacuated from the Church of the Nativity in Bethlehem in May of that year.

## Middle Eastern countries

897. *Gulf Cooperation Council (GCC)* <sup>(11)</sup>. At its 13th meeting, held in Doha, Qatar, on 3 March, the EU–GCC <sup>(12)</sup> Joint Cooperation Council focused in particular on Iraq (→ point 900). Other talks covered the cooperation agreement in force since 1989 <sup>(13)</sup> and

<sup>(1)</sup> OJ L 147, 21.6.2000; 2000 General Report, point 923.

<sup>(2)</sup> Bull. 11-2003, point 1.6.68.

<sup>(3)</sup> 2002 General Report, point 892.

<sup>(4)</sup> Bull. 7/8-2003, point 1.6.103.

<sup>(5)</sup> Bull. 10-2003, point 1.6.60. Previous meeting: 2002 General Report, point 892.

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.112.

<sup>(7)</sup> Bull. 1/2-2003, point 1.6.113.

<sup>(8)</sup> Bull. 9-2003, point 1.6.92.

<sup>(9)</sup> Common Position 2003/366/CFSP (OJ L 124, 20.5.2003; Bull. 5-2003, point 1.6.78).

<sup>(10)</sup> Common Position 2002/400/CFSP (OJ L 138, 28.5.2002; 2002 General Report, point 895).

<sup>(11)</sup> Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates; Internet ([http://europa.eu.int/comm/external\\_relations/gulf\\_cooperation/intro/index.htm](http://europa.eu.int/comm/external_relations/gulf_cooperation/intro/index.htm)).

<sup>(12)</sup> Bull. 3-2003, point 1.6.69. Previous meeting: 2002 General Report, point 897.

<sup>(13)</sup> OJ L 54, 25.2.1989.

the ongoing negotiations on the free-trade agreement opened by the Council on 8 May (Table III).

898. *Saudi Arabia*. At its meeting of 19 and 20 May <sup>(1)</sup>, the Council vigorously condemned the terrorist attack in Riyadh on 12 May and called for those responsible to be brought to justice.

899. *Iran*. During his visit to Iran from 3 to 5 February <sup>(2)</sup>, Mr Patten had discussions with President Mohammad Khatami and with Mr Kamal Kharrazi, Foreign Minister. On 16 June <sup>(3)</sup>, 29 September <sup>(4)</sup> and 13 October <sup>(5)</sup>, the Council noted its concern regarding certain aspects of Iran's nuclear programme and called on the country to cooperate with the International Atomic Energy Agency (IAEA). On 18 March and 21 July <sup>(6)</sup>, it stated that future ties with Iran would depend on its progress in relation to human rights, terrorism, non-proliferation and the peace process and called for the swift release of those detained for having exercised their right to freedom of expression. The Brussels European Council of 16 and 17 October <sup>(7)</sup> offered similar views. On 9 December <sup>(8)</sup>, the Council supported the IAEA resolution of 26 November and welcomed Iran's commitment to fully and promptly comply with its requirements, including immediate implementation of the Additional Protocol to the Nuclear Non-Proliferation Treaty. It also reiterated the EU's readiness to develop cooperation with Iran, provided the expected efforts were made.

900. *Iraq*. Recalling the objective of UNSC Resolution 1441 (2002) and the Security Council's responsibility for maintaining international peace and security, on 27 January <sup>(9)</sup> the Council called on the Iraqi authorities to cooperate with UNMOVIC, the United Nations Monitoring, Verification and Inspection Commission <sup>(10)</sup>. On 30 January <sup>(11)</sup>, Parliament called for a peaceful settlement to the conflict in accordance with international law and urged the EU to speak with a single voice on the international stage. The European Council held an extraordinary meeting in Brussels on 17 February <sup>(12)</sup> to discuss the crisis over Iraq (→ point 1093). The summit participants reiterated their support for the work of the UN inspectors and stated that it was the Iraqi regime's responsibility alone to end the crisis by complying with the demands of the Security Council. On 20 and 21 March, the European Council meeting in Brussels <sup>(13)</sup> once again confirmed the importance it

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<sup>(1)</sup> Bull. 5-2003, point 1.6.80.

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.117.

<sup>(3)</sup> Bull. 6-2003, point 1.6.85.

<sup>(4)</sup> Bull. 9-2003, point 1.6.95.

<sup>(5)</sup> Bull. 10-2003, point 1.6.63.

<sup>(6)</sup> Bull. 7/8-2003, point 1.6.109.

<sup>(7)</sup> Bull. 10-2003, point 1.29.

<sup>(8)</sup> Bull. 12-2003, point 1.6.103.

<sup>(9)</sup> Bull. 1/2-2003, point 1.6.115.

<sup>(10)</sup> <http://www.unmovic.org>.

<sup>(11)</sup> Bull. 1/2-2003, point 1.6.114.

<sup>(12)</sup> Bull. 1/2-2003, point 1.2.

<sup>(13)</sup> Bull. 3-2003, point 1.45.

attached to the central role which the UN must continue to play during and after the Iraqi conflict. Mr Nielson went to Iraq on 6 and 7 May <sup>(1)</sup> to establish whether a humanitarian aid office could be set up in Baghdad under the European Commission Humanitarian Aid Office (ECHO) (→ point 853). On 26 May <sup>(2)</sup>, the Council expressed its concern at the destruction of cultural goods, archaeological sites, monuments and libraries and, on 7 July, adopted Regulation (EC) No 1210/2003, based on UNSC Resolution 1483 (2003), laying down specific restrictions on imports of petroleum, petroleum products, natural gas and cultural goods from Iraq and repealing the regulation on a total embargo (Table II). This regulation was amended on 13 October in the light of a reinterpretation of the source resolution (Table II). On 28 April, the Commission had proposed to amend that regulation so as to update the list of competent authorities through which notifications and applications intended for the UN Office of the Iraqi programme should be sent (Table II). On 7 July <sup>(3)</sup>, the Council decided to maintain the ban on the sale and supply of arms and related material to Iraq, freeze funds and other financial assets of the previous Iraqi government and Saddam Hussein and lay down certain restrictive measures, a position which it clarified on 13 October <sup>(4)</sup>. On 21 July <sup>(5)</sup>, it welcomed the establishment of the Iraqi Governing Council and reaffirmed its readiness to participate in the reconstruction of Iraq. On 29 September <sup>(6)</sup>, it highlighted the necessity of restoring Iraqi sovereignty, while on 24 September <sup>(7)</sup> Parliament adopted a recommendation calling for a gradual transfer of civil and political authority to the Iraqi people. The Madrid Conference on Reconstruction in Iraq was held on 23 and 24 October <sup>(8)</sup>, bringing together 73 countries and 20 international organisations with a view to raising pledges so as to finance Iraq's reconstruction. The European Union and its Member States pledged a contribution of EUR 700 million for 2004. Ahead of the conference, the Commission had issued recommendations on 1 October <sup>(9)</sup> on arrangements for the process and on the Community's participation in the project, which was welcomed by the Council on 13 October <sup>(10)</sup>. The European Council of 16 and 17 October <sup>(11)</sup> also spoke of a commitment to the political and economic reconstruction of Iraq. At its meeting of 17 and 18 November <sup>(12)</sup>, the Council welcomed the results of the Madrid conference. The related budgetary implications of the rehabilitation and reconstruction of Iraq are covered in Section 2 ('Budget') of Chapter VII (→ point 1025). On 9 December <sup>(13)</sup>, the Council condemned all terrorist attacks and expressed its solidarity with Spain and with the other countries whose nationals had

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<sup>(1)</sup> Bull. 5-2003, point 1.6.81.

<sup>(2)</sup> OJ C 136, 11.6.2003; Bull. 5-2003, point 1.6.82.

<sup>(3)</sup> Common Position 2003/495/CFSP (OJ L 169, 8.7.2003; Bull. 7/8-2003, point 1.6.111).

<sup>(4)</sup> Common Position 2003/735/CFSP (OJ L 264, 15.10.2003; Bull. 10-2003, point 1.6.68).

<sup>(5)</sup> Bull. 7/8-2003, point 1.6.112.

<sup>(6)</sup> Bull. 9-2003, point 1.6.97.

<sup>(7)</sup> Bull. 9-2003, point 1.6.96.

<sup>(8)</sup> Bull. 10-2003, point 1.6.69.

<sup>(9)</sup> COM(2003) 575; Bull. 10-2003, point 1.6.65.

<sup>(10)</sup> Bull. 10-2003, point 1.6.67.

<sup>(11)</sup> Bull. 10-2003, point 1.28.

<sup>(12)</sup> Bull. 11-2003, point 1.6.71.

<sup>(13)</sup> Bull. 12-2003, point 1.6.140.

recently been killed in Iraq. The European Council of 12 December <sup>(1)</sup> reaffirmed the EU's commitment to supporting the political as well as the economic reconstruction of the country, within the framework of the relevant UN Security Council resolutions.

## Financial and technical cooperation

901. *General aspects.* On 3 June, Parliament delivered an opinion on the annual report on the MEDA programme 2000 adopted by the Commission in 2001 <sup>(2)</sup>. The Commission put forward a proposal on 29 August for technical amendments to Regulation (EC) No 1734/94 on financial and technical cooperation with the Occupied Territories (Table I). The process of devolving the management of aid from the Commission's headquarters to its delegations outside the EU was completed at the end of 2003 in respect of the eight delegations in the southern Mediterranean region.

902. *Euro-Mediterranean Investment Facility.* To support private sector development in the Mediterranean, on 15 October <sup>(3)</sup> the Commission recommended converting the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) created in 2002 within the European Investment Bank <sup>(4)</sup> into a subsidiary of the EIB. On 25 November <sup>(5)</sup>, the Council too recommended strengthening the FEMIP.

903. *Financing of cooperation measures.* Under the MEDA II regulation, the Commission allocated, in 2003, a total of EUR 600 million for the MEDA programme. A sum of EUR 521.3 million was committed under the national financing plans for all the Euro-Mediterranean partnership countries, including EUR 22.5 million for the Tempus programme, and EUR 79 million under the regional financing plan. The Commission also set aside EUR 102.7 million to deal with the special situation in the West Bank and Gaza Strip, which are subject to separate commitments in view of the ongoing state of crisis, under three programmes: MEDA, support for the peace process, and aid to Palestinian refugees via UNRWA. At the Madrid conference (→ point 900), the Commission announced its contribution of around EUR 29 million to the reconstruction programmes in Iraq. A further EUR 8 million was committed in November for projects and programmes in Yemen.

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<sup>(1)</sup> Bull. 12-2003, point 1.19.

<sup>(2)</sup> COM(2001) 806; 2001 General Report, point 1009.

<sup>(3)</sup> COM(2003) 587; Bull. 10-2003, point 1.6.57.

<sup>(4)</sup> 2002 General Report, point 902.

<sup>(5)</sup> Bull. 11-2003, point 1.6.63.

## Section 9

# Relations with the countries of eastern Europe, the Caucasus and central Asia <sup>(1)</sup>

## Overview

904. *Political dialogue continued on a regular basis in 2003 through joint cooperation bodies set up under the partnership and other agreements concluded with each of these countries and on the occasion of summits with Russia and Ukraine. The impact of enlargement of the EU on those countries, along with the ‘wider Europe’ initiative, respect for human rights, promotion of democracy and transition to a market economy, were the main focus of the various meetings. The Chechnya issue was raised on several occasions. In EU–Russia relations, the Cooperation Council was strengthened to become a Permanent Partnership Council.*

## Partnership and other agreements <sup>(2)</sup>

905. *Cooperation councils.* The cooperation councils set up under the partnership agreements between the Community and the countries of eastern Europe, the Caucasus and central Asia met in Brussels, on 27 January with Uzbekistan (fourth session) <sup>(3)</sup>; on 18 March with Moldova (fifth session) <sup>(4)</sup> and Ukraine (sixth session) <sup>(5)</sup>; on 15 April with Russia (sixth session) <sup>(6)</sup>; on 22 July with Kazakhstan (fifth session) <sup>(7)</sup> and Kyrgyzstan (fifth session) <sup>(8)</sup>; on 30 September with Armenia, Azerbaijan and Georgia (fifth session) <sup>(9)</sup>.

## Financial assistance

906. *Statistics.* In 2003, EUR 483.2 million was allocated for assistance to the countries of eastern Europe, the Caucasus and central Asia in the following areas of cooperation: support for institutional, legal and administrative reform; support for the private sector and aid for economic development; assistance to cushion the social consequences of transition towards a market economy; development of infrastructure networks; promotion of environmental protection and management of natural resources; development of the rural economy.

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/external\\_relations/ceeca/index.htm](http://europa.eu.int/comm/external_relations/ceeca/index.htm)).

<sup>(2)</sup> [http://europa.eu.int/comm/external\\_relations/ceeca/pca/index.htm](http://europa.eu.int/comm/external_relations/ceeca/pca/index.htm).

<sup>(3)</sup> Bull. 1/2-2003, point 1.6.133.

<sup>(4)</sup> Bull. 3-2003, point 1.6.74.

<sup>(5)</sup> Bull. 3-2003, point 1.6.78.

<sup>(6)</sup> Bull. 4-2003, point 1.6.62.

<sup>(7)</sup> Bull. 7/8-2003, point 1.6.114.

<sup>(8)</sup> Bull. 7/8-2003, point 1.6.115.

<sup>(9)</sup> Bull. 9-2003, point 1.6.98.

907. Information on the European Union's contribution to nuclear safety is to be found in Section 5 ('Energy') of Chapter IV (→ point 660).

## Bilateral relations

908. Presidency statements on behalf of the European Union concerning the countries of eastern Europe, the Caucasus and central Asia are to be found in Table 15 (→ point 764). Parliament resolutions on human rights in those countries are set out in Table 3 (→ point 92).

909. *Armenia*. Mr Robert Kocharian, President of Armenia, came to Brussels on 4 December where he met Mr Prodi, President of the Commission.

910. *Azerbaijan*. On 25 May, the Commission appointed Mr Antonius de Vries as its special envoy to the Republic of Azerbaijan.

911. *Belarus* <sup>(1)</sup>. On 11 February <sup>(2)</sup>, Parliament adopted a resolution on the future of relations between the European Union and Belarus. It expressed concern at the continued isolation of the country, the authoritarian and anti-democratic nature of the regime and the increasing impoverishment of the population. On 14 April <sup>(3)</sup>, the Council took note of the lifting of the visa ban decided in November 2002 following the opening of a new OSCE office in Minsk, but also addressed the issue of the deterioration of democracy and the rule of law, regretting that Belarus was not fulfilling its international commitments.

912. *Georgia* <sup>(4)</sup>. As a follow-up to Joint Action 2001/759/CFSP on a financial contribution to the conflict resolution process in South Ossetia <sup>(5)</sup>, the Council on 25 June <sup>(6)</sup> approved the granting of additional financial assistance after expiry of the joint action on 30 June 2004. In the context of the outcome of the legislative elections of 2 November, the Council, following a Presidency statement (→ point 764) stressed in its conclusions of 17 November <sup>(7)</sup> the importance for the parties to conduct constructive dialogue in order to prevent destabilisation. On 9 December <sup>(8)</sup>, in the wake of the Presidency statement on the political crisis of 22 and 23 November in Georgia (→ point 764), the Council expressed support for the interim political authorities. It called on all parties to maintain stability, in particular in the run-up to the elections. It underscored the Union's commitment to Georgia's territorial integrity and its intention, along with the international community, to help the country overcome its difficulties.

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/belarus/intro/index.htm](http://europa.eu.int/comm/external_relations/belarus/intro/index.htm).

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.125.

<sup>(3)</sup> Bull. 4-2003, point 1.6.61.

<sup>(4)</sup> [http://europa.eu.int/comm/external\\_relations/georgia/intro/index.htm](http://europa.eu.int/comm/external_relations/georgia/intro/index.htm).

<sup>(5)</sup> OJ L 286, 30.10.2001; 2001 General Report, point 1024.

<sup>(6)</sup> Joint Action 2003/473/CFSP (OJ L 157, 26.6.2003; Bull. 6-2003, point 1.6.93).

<sup>(7)</sup> Bull. 11-2003, point 1.6.73.

<sup>(8)</sup> Bull. 12-2003, point 1.6.110.

913. *Kazakhstan* <sup>(1)</sup>. At its meeting on 27 and 28 February <sup>(2)</sup>, the Council confirmed that it recognised the city of Astana as Kazakhstan's capital. It underscored the importance of the EU being represented in Astana by transferring activities currently conducted by the missions in Almaty.

914. *Moldova* <sup>(3)</sup>. On 27 February the Council expressed concern at the conflict in Transnistria, considering that the obstructive attitude still being shown by the region's leaders was unacceptable <sup>(4)</sup>. It therefore adopted restrictive measures against them, banning entry or transit through the Member States' territory for one year <sup>(5)</sup>. The same day, the European Union and the United States issued a joint statement on a coordinated approach to sanctions <sup>(6)</sup> on those leaders.

915. *Russia* <sup>(7)</sup>. Two EU–Russia summits were held in 2003, the first on 31 May in St Petersburg <sup>(8)</sup>, the second, on 6 November in Rome <sup>(9)</sup>.

At the first summit, held as part of the festivities organised for the 300th anniversary of St Petersburg, the European Union was represented by Mr Costas Simitis, Greek Prime Minister and President of the Council, and by Mr Prodi and Mr Patten for the Commission. Russia was represented by President Vladimir Putin. The parties reaffirmed their commitment to strengthen their cooperation under the partnership and cooperation agreement signed in 1997 in order to create ultimately 'common spaces' in fields such as the economy, freedom, security and justice, and external security, research and education. The summit also examined progress on cooperation on the environment, maritime safety and nuclear safety and discussed the effects of EU enlargement on EU–Russia relations. The parties decided to strengthen the Cooperation Council, which becomes a Permanent Partnership Council (→ point 905). Welcoming the establishment of practical cooperation on crisis management, the parties addressed issues such as Chechnya, the conflict in Moldova, drugs in Afghanistan and central Asia and the situation in Iraq. On 15 May, Parliament adopted a resolution on the summit <sup>(10)</sup>.

At the second summit, the European Union was represented by Mr Prodi, Commission President, Mr Patten and Mr Lamy, Members of the Commission, and by Mr Silvio Berlusconi, Italian Prime Minister and President of the Council, assisted by Mr Javier Solana, High Representative for the CFSP. Russia was represented by President Putin. The main topic of discussion was the progress of reforms in Russia. Chechnya and the Yukos group

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/kazakhstan/intro/index.htm](http://europa.eu.int/comm/external_relations/kazakhstan/intro/index.htm).

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.128.

<sup>(3)</sup> [http://europa.eu.int/comm/external\\_relations/moldova/intro/index.htm](http://europa.eu.int/comm/external_relations/moldova/intro/index.htm).

<sup>(4)</sup> Bull. 1/2-2003, point 1.6.130.

<sup>(5)</sup> Common Position 2003/139/CFSP (OJ L 53, 28.2.2003; Bull. 1/2-2003, point 1.6.131).

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.132.

<sup>(7)</sup> [http://europa.eu.int/comm/external\\_relations/russia/intro/index.htm](http://europa.eu.int/comm/external_relations/russia/intro/index.htm).

<sup>(8)</sup> Bull. 5-2003, point 1.6.86.

<sup>(9)</sup> Bull. 11-2003, point 1.6.76.

<sup>(10)</sup> Bull. 5-2003, point 1.6.85.

of companies were also discussed. The summit took note of the shared ambition of the parties to create a common economic space and agreed to work for the accession of Russia to the World Trade Organisation by the end of 2004. Discussions also covered the impact of EU enlargement on EU–Russia relations, with particular attention being given to the extension of the partnership and cooperation agreement between the parties to the new EU Member States joining in May 2004. The summit also addressed the issue of cooperation on the environment, in particular climate change and maritime safety. The parties adopted a joint statement aimed at facilitating cooperation on political and security issues making best use of existing resources. An agreement was signed between Europol and the Russian Minister of the Interior in order to promote cooperation on the fight against terrorism and organised crime. In a resolution adopted on 20 November <sup>(1)</sup>, the European Parliament expressed reservations at the outcome of the summit given the EU’s stance on the situation in Chechnya.

In a resolution of 16 January <sup>(2)</sup>, Parliament had already expressed concern at the violence in Chechnya and regretted the non-renewal of the mandate of the OSCE Assistance Group to Chechnya. On 3 July <sup>(3)</sup>, this issue was the subject of a fresh Parliament resolution which called on the parties to seize the opportunity of finding a political solution to the conflict and welcomed the beginning of work to conclude an agreement recognising a measure of autonomy for Chechnya.

On 20 June <sup>(4)</sup>, the Council extended until 24 June 2004 the period of application of Common Strategy 1999/414/CFSP with regard to Russia, adopted on 4 June 1999 <sup>(5)</sup>. On 24 June <sup>(6)</sup>, it extended until the same date Joint Action 1999/878/CFSP <sup>(7)</sup> to enable continuation of the cooperation programme for non-proliferation and disarmament in Russia. Under this programme the financing of certain projects was approved in a decision of 8 December <sup>(8)</sup>. The scientific and technological cooperation agreement between the European Community and Russia was renewed on 6 November (→ point 377).

Trade between the European Union and Russia continued to grow in 2003, confirming the EU’s position as Russia’s principal trading partner, with the overall volume of Russian trade with the Union set to reach 50 % after enlargement. During the year, Mr Lamy, Member of the Commission, met Mr Mikhail Kasyanov, Prime Minister, Mr Aleksey Kudrin, Deputy Prime Minister and Minister for Finance, and Mr German Gref, Minister for Economic Development and Trade.

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<sup>(1)</sup> Bull. 11-2003, point 1.6.77.

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.123.

<sup>(3)</sup> Bull. 7/8-2003, point 1.6.116.

<sup>(4)</sup> Common Strategy 2003/471/CFSP (OJ L 157, 26.6.2003; Bull. 6-2003, point 1.6.95).

<sup>(5)</sup> OJ L 157, 24.6.1999; 1999 General Report, point 797.

<sup>(6)</sup> Joint Action 2003/472/CFSP (OJ L 157, 26.6.2003; Bull. 6-2003, point 1.6.94).

<sup>(7)</sup> OJ L 331, 23.12.1999; 1999 General Report, point 798.

<sup>(8)</sup> Decision 2003/874/CFSP (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.115).

916. *Tajikistan* <sup>(1)</sup>. On 25 March <sup>(2)</sup>, President Emomali Rachmonov, President of Tajikistan, visited Brussels, where he met Mr Prodi, President of the Commission. On 13 October <sup>(3)</sup>, the Council added issues of immigration and cooperation against terrorism to the negotiations for a draft partnership and cooperation agreement with Tajikistan.

917. *Ukraine* <sup>(4)</sup>. The annual EU–Ukraine summit was held in Yalta on 7 October <sup>(5)</sup>. The EU was represented by Mr Prodi, President of the Commission, Mr Patten, Member of the Commission, and Mr Silvio Berlusconi, Italian Prime Minister and President of the Council, assisted by Mr Javier Solana, High Representative for the CFSP. Ukraine was represented by President Leonid Kuchma. The parties reaffirmed their commitment to strengthening cooperation as part of the partnership and cooperation agreement. The Union stressed that the ‘wider Europe’ initiative (→ point 1012) offered Ukraine the long-term prospect of gradual integration into the Community internal market. Association with or accession to the EU was not on the agenda. The two parties agreed on the need to continue the political and economic reforms as part of the strategic partnership between the European Union and Ukraine. Other issues addressed were the October 2004 presidential elections, nuclear safety, energy transit and cooperation in the field of justice and home affairs. International issues of common interest were also discussed. Most of these topics were discussed again during the visit to Ukraine by Mr Patten on 10 and 11 November <sup>(6)</sup>, where he met Mr Kostyantyn Hryshchenko, Ukraine’s Foreign Minister. The Brussels European Council on 12 December <sup>(7)</sup> approved the extension to 23 December 2004 of the period of application of Common Strategy 1999/878/CFSP with respect to Ukraine adopted on 11 December 1999 <sup>(8)</sup>.

In connection with the negotiations for Ukraine’s accession to the WTO, Mr Lamy, Member of the Commission, and Mr Valeriy Khoroshkovskiy, Ukraine’s economy minister, wound up EU–Ukraine bilateral negotiations on market access on 17 March. The Cooperation Council and the EU–Ukraine summit reaffirmed the EU’s support for Ukraine’s accession to the WTO. The dossier on the trade effects of EU enlargement was analysed at the EU–Ukraine summit, the Cooperation Council meeting and a series of other meetings including the conference organised at the initiative of the Community in Kiev on 19 June. The Commission’s opinion on Ukraine’s request for market economy status was communicated to Ukraine in March and discussions are continuing. Negotiations on a bilateral agreement on steel products also continued. The scientific and technological cooperation agreement between the European Community and Ukraine was renewed on 7 October (→ point 377).

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/tajikistan/intro/index.htm](http://europa.eu.int/comm/external_relations/tajikistan/intro/index.htm).

<sup>(2)</sup> Bull. 3-2003, point 1.6.77.

<sup>(3)</sup> Bull. 10-2003, point 1.6.77.

<sup>(4)</sup> [http://europa.eu.int/comm/external\\_relations/ukraine/intro/index.htm](http://europa.eu.int/comm/external_relations/ukraine/intro/index.htm).

<sup>(5)</sup> Bull. 10-2003, point 1.6.76.

<sup>(6)</sup> Bull. 11-2003, point 1.6.80.

<sup>(7)</sup> Common strategy 2003/897/CFSP (OJ L 333, 20.12.2003); Bull. 12-2003, point 1.6.117).

<sup>(8)</sup> OJ L 331, 23.12.1999; 1999 General Report, point 801.

918. *Central Asia*. On 23 October, Parliament adopted a resolution on respect for human rights and democracy in these countries (→ point 92).

## Regional cooperation

919. *Northern dimension* <sup>(1)</sup>. On 16 January <sup>(2)</sup>, as a follow-up to the third ministerial conference on the northern dimension in Luxembourg in October 2002 <sup>(3)</sup>, Parliament called on the Commission to take into account, in the three-year action plan decided by the conference, the deepening of political and economic dialogue and the social disparities between an enlarged European Union and the neighbouring regions, and called for the environment and sustainable development to be the cornerstone of this approach. The second action plan for the northern dimension was approved by the Council on 29 September <sup>(4)</sup> and endorsed by the European Council on 16 and 17 October <sup>(5)</sup>, following a consultative opinion of the Committee of the Regions on 9 October <sup>(6)</sup>. It covers the period 2004–06 and focuses on: the economy, enterprises and infrastructure; education, human resources, culture and public health; the environment, nuclear safety and natural resources; cross-border cooperation; justice and home affairs; issues concerning Kaliningrad (→ point 503) and the Arctic region. In a resolution of 20 November <sup>(7)</sup>, Parliament welcomed this second action plan.

920. *Southern Caucasus*. On 7 July <sup>(8)</sup>, the Council appointed Mr Heikke Talvitie as EU Special Representative for the southern Caucasus. On 8 December <sup>(9)</sup> it amended his mandate, extending it up to 30 June 2004.

921. *Relations with the ‘new neighbours’*. On the eve of enlargement, a number of initiatives were launched in order to define a new framework for relations with the neighbours of an enlarged Europe, including countries of eastern Europe (→ point 1012).

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<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/north\\_dim/index.htm](http://europa.eu.int/comm/external_relations/north_dim/index.htm).

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.124.

<sup>(3)</sup> 2002 General Report, point 921.

<sup>(4)</sup> Bull. 9-2003, point 1.6.102. First action plan (2000–03); 2000 General Report, point 953.

<sup>(5)</sup> Bull. 10-2003, point I.24.

<sup>(6)</sup> Bull. 10-2003, point 1.6.72.

<sup>(7)</sup> Bull. 11-2003, point 1.6.72.

<sup>(8)</sup> Joint Action 2003/496/CFSP (OJ L 169, 8.7.2003; Bull. 7/8-2003, point 1.6.122).

<sup>(9)</sup> Joint Action 2003/872/CFSP (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.111).

*Section 10*

## Relations with the United States, Japan and other industrialised countries

### Overview

922. *In 2003 the European Union re-affirmed its determination to step up political dialogue with its industrialised partners. Faced with the Iraq crisis, the Union favoured a concerted approach working with the entire international community. Strengthening transatlantic partnership and cooperation was announced as a strategic priority by the European Council in March and was discussed and developed at the annual EU–US summit in June. The Union also planned to enhance its bilateral relations with Canada. In the context of the EU–Japan action plan, the EU stressed the importance of investments with its Japanese partner and signed an agreement on competition. It also planned to increase cooperation with Australia in specific fields. The Union stepped up cooperation with South Korea, particularly as regards research and technology, and deplored North Korea’s withdrawal from the Non-Proliferation Treaty and its failure to meet its international obligations. It reasserted its commitment to a multilateral diplomatic solution to this crisis.*

### Group of Eight (G8)

923. *Annual summit.* The annual meeting of Heads of State or Government of the G8 <sup>(1)</sup> was held in Evian (France) from 1 to 3 June <sup>(2)</sup>. The Union was represented by Mr Costas Simitis, the Greek Prime Minister and President of the Council, and Mr Romano Prodi, the President of the Commission. The summit participants agreed on the great importance of structural reforms and economic responsiveness for strengthening world growth. Stress was put on achieving the internationally agreed millennium <sup>(3)</sup> and Johannesburg <sup>(4)</sup> development goals in order to enhance sustainable development. On the issue of improving security, they noted that commendable progress had been achieved against terrorism worldwide but that terrorist networks and the proliferation of weapons of mass destruction posed a threat to world peace and security. Regional issues were also discussed.

924. *Ministerial meetings.* The members of the G8 met at ministerial level in the areas of the environment (→ point 618), justice and home affairs (→ point 544), economic affairs and finance (→ point 118) and labour and employment (→ point 176).

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<sup>(1)</sup> Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States.

<sup>(2)</sup> Bull. 6-2003, point 1.6.99; <http://www.g8.fr/evian/english/home.html>. Previous meeting: 2002 General Report, point 924.

<sup>(3)</sup> 2000 General Report, point 789.

<sup>(4)</sup> 2002 General Report, point 556.

## United States <sup>(1)</sup>

925. *Conclusions of the European Councils.* The Brussels European Council of 20 and 21 March <sup>(2)</sup> recalled, in the context of the Iraq war, the need to strengthen the transatlantic partnership, which remained a fundamental strategic priority for the European Union, and engage in a sustained dialogue with the US on the new regional and global challenges. The Thessaloniki European Council of 19 and 20 June <sup>(3)</sup> affirmed its conviction that the development of transatlantic relations on an equal footing remained of fundamental importance in every domain not only for the two sides but also for the international community. Meeting in Brussels on 12 December <sup>(4)</sup>, the European Council adopted a statement on transatlantic relations asserting the European Union's firm commitment to a constructive, balanced and forward-looking partnership with its transatlantic partners. It stressed the need to unite against such threats as terrorism and emphasised the growing political and economic interdependence of the EU and the US, as well as the importance of working concertedly, both bilaterally and within multilateral institutions, to defend shared values.

926. *Annual summit.* The EU–US annual summit was held on 25 June <sup>(5)</sup>. This meeting opened a new phase in the strengthening of transatlantic cooperation after the Iraq crisis. The two parties agreed on the signing of agreements on extradition and mutual assistance in criminal matters (→ point 533), development of the hydrogen market, the transatlantic airspace (→ point 693), strengthening maritime container security, and the proliferation of weapons of mass destruction, a subject on which a joint statement singling out North Korea and Iran was adopted.

927. *Visits.* Visiting Washington on 4 April <sup>(6)</sup>, Mr Javier Solana, CFSP High Representative, met Mr Colin Powell, Secretary of State, Mr Marc Grossman, Under Secretary, and Ms Condoleezza Rice, President Bush's National Security Adviser. From 23 to 26 September, Mr Patten visited New York where he took part in the 58th session of the UN General Assembly and a number of meetings on the margins (→ point 765). On 3 and 4 November, Mr Lamy visited Washington <sup>(7)</sup> where he spoke with Mr John Snow, US Treasury Secretary, Mr William Thomas, rapporteur on the House of Representatives bill on the abolition of tax support for exports, Mr Charles Grassley, member of the Senate Finance Committee, and representatives of Congress about aligning US legislation on the tax arrangements applicable to foreign sales corporations with the rules of the World Trade Organisation. During a visit by Mr Powell to Brussels on 18 November <sup>(8)</sup>, EU and US

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/us/intro/index.htm](http://europa.eu.int/comm/external_relations/us/intro/index.htm).

<sup>(2)</sup> Bull. 3-2003, point I.45.

<sup>(3)</sup> Bull. 6-2003, point I.27.

<sup>(4)</sup> Bull. 12-2003, point 1.36.

<sup>(5)</sup> Bull. 6-2003, point 1.6.103. Previous meeting: 2002 General Report, point 926.

<sup>(6)</sup> Bull. 4-2003, point 1.6.67.

<sup>(7)</sup> Bull. 11-2003, point 1.6.83.

<sup>(8)</sup> Bull. 11-2003, point 1.6.84.

representatives discussed the customs cooperation agreement on transport security, Iran's nuclear programme and other current world and regional issues.

928. *Specific areas of cooperation.* Negotiations continued on scientific and technological cooperation agreements with the US and the United Mexican States (→ point 376). On 3 June, the Council adopted a statement on the mandatory registration of EU auditors with the US Public Company Accounting Oversight Board (PCAOB) (→ point 225). The Commission adopted a report on 13 August on the application of competition rules in the agreement with the US (→ point 280). On 15 September, it also proposed measures to provide protection from the effects of the US 1916 Anti-Dumping Act (→ point 783). On 23 September, a protocol of agreement on a number of bilateral investment treaties was concluded between the US, eight countries acceding to the EU and the Commission (→ point 796). On 9 October, the European Parliament adopted a resolution on the transfer of personal data by airlines in the case of transatlantic flights (→ point 231). On 13 October, negotiations started on an agreement on mutual recognition of organic production rules and related inspection systems (→ point 447). On 18 November, a customs cooperation agreement was initialled with the United States on transport security, particularly for containers (Table III).

929. Presidency statements on behalf of the European Union relating to the United States are to be found in Table 15 (→ point 764).

## Japan <sup>(1)</sup>

930. *Annual summit.* The 12th EU–Japan summit was held in Athens on 1 and 2 May <sup>(2)</sup>. The participants discussed the international situation and agreed on the importance of resolving the problems concerning North Korea and the Middle East by diplomacy and the UN's central role in stabilising Iraq. They also discussed the enlargement of the EU and its implications for Japan, and adopted a joint declaration on investment initiatives, emphasising the importance of bilateral investments.

931. *Specific areas of cooperation.* Negotiations took place with a view to signing a scientific and technological cooperation agreement (→ point 376). On 10 July, an agreement on cooperation on anti-competitive practices was signed (→ point 281).

## Canada <sup>(3)</sup>

932. *EU–Canada summit.* The summit was held in Athens on 28 May <sup>(4)</sup>. Participants reviewed international and bilateral issues, reiterating their shared views on the talks under

(1) [http://europa.eu.int/comm/external\\_relations/japan/intro/index.htm](http://europa.eu.int/comm/external_relations/japan/intro/index.htm).

(2) Bull. 5-2003, point 1.6.93. Previous summit: 2002 General Report, point 931.

(3) [http://europa.eu.int/comm/external\\_relations/canada/intro/index.htm](http://europa.eu.int/comm/external_relations/canada/intro/index.htm).

(4) Bull. 5-2003, point 1.6.92. Previous summit: 2002 General Report, point 934.

way in international forums such as the World Trade Organisation and their differences on the subject of genetically modified organisms. In view of the Commission's recent initiatives, they expressed the political will to strengthen transatlantic ties binding them economically and politically. The European Council of 12 December in Brussels (1) welcomed the progress made in the consideration of EU–Canadian relations and looked forward to closer relations following examination of a final report by the ministers.

933. *Specific areas of cooperation.* In a communication of 13 May (2), the Commission set out its priorities for the enhanced bilateral cooperation with Canada that had been decided at the Ottawa summit in 2002 (3). These priorities include closer cooperation on trade and investment, justice and home affairs and education and culture. On 29 September (4), the Council also endorsed the establishment of enhanced cooperation in specific fields. On 13 August, the Commission adopted a report on the application of the competition rules in the agreement with Canada (→ point 280). On 16 September, the parties signed an agreement on trade in wines and spirit drinks that gave recognition and protection to geographical indications (Table III).

## **Australia** (5)

934. *Visits.* Mr Patten visited Melbourne and Canberra from 16 to 21 April (6) and met Mr Mark Vaile, Trade Minister, Mr Alexander Downer, Foreign Affairs Minister, and Mr Philip Ruddock, Immigration Minister. They discussed the way bilateral cooperation had developed since the joint declaration was signed in 1997 (7) and considered increasing cooperation in specific areas such as the fight against terrorism, improving the trade environment for the least developed countries, education, science and technology, the environment, implementation of development cooperation programmes in the Asia–Pacific region and managing migration flows in the world.

## **New Zealand** (8)

935. *Visits.* From 21 to 24 April (9), Mr Patten was in New Zealand where he met Ms Helen Clark, Prime Minister, and Mr Phil Goff, Foreign Minister. Ms Clark visited Brussels on 24 April (10) where she met Mr Javier Solana, CFSP High Representative, and Mr Prodi, Commission President.

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(1) Bull. 12-2003, point 1.22.

(2) COM(2003) 266; Bull. 5-2003, point 1.6.91.

(3) 2002 General Report, point 934.

(4) Bull. 9-2003, point 1.6.112.

(5) [http://europa.eu.int/comm/external\\_relations/australia/intro/index.htm](http://europa.eu.int/comm/external_relations/australia/intro/index.htm).

(6) Bull. 4-2003, point 1.6.64.

(7) 1997 General Report, point 963.

(8) [http://europa.eu.int/comm/external\\_relations/new\\_zealand/intro/index.htm](http://europa.eu.int/comm/external_relations/new_zealand/intro/index.htm).

(9) Bull. 4-2003, point 1.6.68.

(10) Bull. 4-2003, point 1.6.69.

## Korean Peninsula

936. *South Korea (Republic of Korea)* <sup>(1)</sup>. From 10 to 12 February, Mr Javier Solana, CFSP High Representative, visited the Republic of Korea, where he met former President Kim Dae-jung, President Roh Moo-hyun, Foreign Minister Choi Sung-hong, and Defence Minister Lee Joon, with whom he discussed the North Korean nuclear issue. On 16 May <sup>(2)</sup>, Mr Busquin met Mr Ho Koon Park, South Korean Minister for Science and Technology, in Brussels for talks on scientific and technological cooperation, and in particular the possibility of negotiating an agreement, and South Korea's potential participation in the ITER (international thermonuclear experimental reactor) project (→ point 364). The second meeting of the joint committee provided for in the framework agreement for trade and cooperation <sup>(3)</sup> was held in Brussels on 7 July. The participants discussed bilateral trade and cooperation issues. In the course of special meetings held on this occasion, progress was made on agricultural trade, motor vehicle standards, cooperation on intellectual property rights, competition, the environment, science and technology. From 12 to 15 September <sup>(4)</sup>, Mr Liikanen was in Seoul, where he had talks with Chin Dae-je, Minister for Information and Communication, and Yoon Jin-sik, Minister for Trade, Industry and Energy on a wide range of bilateral issues, notably high-speed Internet, telecommunications regulation and the trans Eurasian information network project.

937. *North Korea (Democratic People's Republic of Korea)* <sup>(5)</sup>. On 30 January <sup>(6)</sup>, the European Parliament condemned North Korea's decision to withdraw from the nuclear Non-Proliferation Treaty (NPT) and urged it to cease its programme to enrich uranium for nuclear weapons. Having expressed concern about North Korea's failure to comply with its international obligations, the Brussels European Council in March <sup>(7)</sup> reiterated its desire to help resolve the crisis through diplomacy. The EU troika visited Pyongyang from 9 to 12 December to discuss this subject. They also discussed human rights issues, relations between North and South Korea and the economic reforms in China. At its meeting on 12 December <sup>(8)</sup>, the European Council called on North Korea to dismantle its nuclear programme completely, verifiably and irreversibly, and pointed out that, if appropriate, the EU would reconsider its policy on North Korea.

938. Presidency statements on behalf of the European Union relating to the Korean Peninsula are to be found in Table 15 (→ point 764). Parliament resolutions on human rights in the Korean Peninsula are listed in Table 3 (→ point 92).

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/south\\_korea/intro/index.htm](http://europa.eu.int/comm/external_relations/south_korea/intro/index.htm).

<sup>(2)</sup> Bull. 5-2003, point 1.6.94.

<sup>(3)</sup> OJ L 90, 30.3.2001; 2001 General Report, point 1054.

<sup>(4)</sup> Bull. 9-2003, point 1.6.120.

<sup>(5)</sup> [http://europa.eu.int/comm/external\\_relations/north\\_korea/intro/index.htm](http://europa.eu.int/comm/external_relations/north_korea/intro/index.htm).

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.140.

<sup>(7)</sup> Bull. 3-2003, point 1.49.

<sup>(8)</sup> Bull. 12-2003, point 1.28.

## Section 11

**Relations with Asia** <sup>(1)</sup>**Overview**

939. *The European Union gave fresh impetus to its relations with Asia and strove to establish enhanced partnerships with certain regions. The Commission defined strategic guidelines for a new partnership with the Association of South-East Asian Nations (ASEAN) and with other countries of South-East Asia. It envisaged a new strategy with China and pinpointed common interests and challenges for the future. The Union continued its dialogue with regional groupings, notably in the framework of ASEM.*

**Asia–Europe meetings (ASEM) and relations with regional groupings**

940. *New partnership.* As a follow-up to the strategic framework established in 2001 to strengthen Europe–Asia partnership ties <sup>(2)</sup>, the Commission adopted a communication, on 9 July <sup>(3)</sup>, aimed at intensifying its relations with the Association of South-East Asian Nations (ASEAN) and with other countries of South-East Asia. The communication identifies six strategic priorities for a new partnership: regional stability and the fight against terrorism; promotion of human rights, democratic principles and good governance; justice and home affairs; regional trade and investment ties; development of the less prosperous countries; cooperation on specific policy areas.

941. *ASEM* <sup>(4)</sup>. Three ministerial meetings took place on 23 and 24 July <sup>(5)</sup>. In Bali, ASEM foreign ministers, joined by Mr Chris Patten, exchanged views on key regional issues such as the situation in Myanmar (Burma) and the Korean Peninsula and agreed on a common approach to security issues such as the fight against terrorism and non-proliferation. Economy and trade ministers met in Dalian, China, and on the eve of the WTO meeting in Cancún (→ point 781) discussed the ongoing trade negotiations under the Doha Development Agenda. ASEM finance ministers met in Bali on 4 July, addressing a wide range of monetary and financial issues, while the culture ministers gathered in Beijing from 2 to 4 December to discuss culture and civilisation around the theme of ‘unity in diversity’.

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/asia/index.htm](http://europa.eu.int/comm/external_relations/asia/index.htm).

<sup>(2)</sup> COM(2001) 469; 2001 General Report, point 1057.

<sup>(3)</sup> COM(2003) 399; Bull. 7/8-2003, point 1.6.127.

<sup>(4)</sup> Seven members of ASEAN, plus China, Japan and the Republic of Korea and the 15 EU Member States; Internet ([http://europa.eu.int/comm/external\\_relations/asem/intro/index.htm](http://europa.eu.int/comm/external_relations/asem/intro/index.htm)).

<sup>(5)</sup> Bull. 7/8-2003, point 1.6.128 and 1.6.129.

942. *ASEAN* <sup>(1)</sup>. The 14th ministerial meeting <sup>(2)</sup> between the Association of South-East Asian Nations and the European Union took place on 27 and 28 January. The parties adopted a joint statement which committed them to cooperating more closely in the international fight against terrorism. From 3 to 5 April <sup>(3)</sup>, Mr Pascal Lamy went to Laos for the meeting of economy and trade ministers of the 10 ASEAN countries. The EU troika participated in the ministerial meeting of the ASEAN Regional Forum held in Cambodia on 17 and 18 June. The Union laid out its position on international and regional security issues.

## Bilateral relations

943. Presidency statements on behalf of the European Union concerning Asian countries are to be found in Table 15 (→ point 764). European Parliament resolutions on human rights in Asian countries are to be found in Table 3 (→ point 92).

### South Asia <sup>(4)</sup>

944. *Aid for the reconstruction of Afghanistan*. The Union continued to play a prominent role among donors participating in Afghanistan's reconstruction by injecting a further EUR 200 million into priority fields. On 15 January <sup>(5)</sup>, the European Parliament reaffirmed its support for the reconstruction of the country's political, judicial and security institutions and called for the mandate of the assistance and security force to be widened. On 27 February, the Council adopted Common Position 2003/140/CFSP <sup>(6)</sup> providing for exceptions to the restrictive measures imposed on certain persons and entities linked to Osama bin Laden, Al-Qaeda and the Taliban, pursuant to UN Security Council Resolution 1452 (2002). On 27 March, it adopted Regulation (EC) No 561/2003 which allows derogations from the existing specific restrictive measures <sup>(7)</sup> for humanitarian reasons (Table II). On 14 April <sup>(8)</sup>, the Council called for the drafting of a new constitution that respected the rule of law and human rights. On 16 June <sup>(9)</sup> and 8 December <sup>(10)</sup>, the mandate of Mr Francesc Vendrell as EU special representative in Afghanistan <sup>(11)</sup> was extended. On 13 October <sup>(12)</sup>, the Council raised the issue of EU assistance for the Afghan

<sup>(1)</sup> Brunei, Burma/Myanmar, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam. Internet ([http://europa.eu.int/comm/external\\_relations/asean/intro/index.htm](http://europa.eu.int/comm/external_relations/asean/intro/index.htm)).

<sup>(2)</sup> Bull. 1/2-2003, point 1.6.143. Previous meeting: 2000 General Report, point 981.

<sup>(3)</sup> Bull. 4-2003, point 1.6.70.

<sup>(4)</sup> [http://europa.eu.int/comm/external\\_relations/asia/reg/sa.htm](http://europa.eu.int/comm/external_relations/asia/reg/sa.htm).

<sup>(5)</sup> Bull. 1/2-2003, point 1.6.144.

<sup>(6)</sup> OJ L 53, 28.2.2003; Bull. 1/2-2003, point 1.6.146.

<sup>(7)</sup> 2002 General Report, point 949.

<sup>(8)</sup> Bull. 4-2003, point 1.6.71.

<sup>(9)</sup> Joint Action 2003/448/CFSP (OJ L 150, 18.6.2003; Bull. 6-2003, point 1.6.107).

<sup>(10)</sup> Joint Action 2003/871/CFSP (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.123).

<sup>(11)</sup> Joint Action 2002/961/CFSP (OJ L 334, 11.12.2002; 2002 General Report, point 948).

<sup>(12)</sup> Bull.10-2003, point 1.9.7.

elections in June 2004. The EU troika went to Afghanistan on 19 and 20 October. On 17 November <sup>(1)</sup>, the Council reiterated its support for the country's reconstruction and its commitment to the Bonn process. It welcomed the publication of a draft constitution and called for universal recognition of human rights, including women's rights. It stressed the Union's backing for Afghanistan's strategy in the fight against drugs.

945. *Bangladesh*. A European Parliament delegation went to Bangladesh from 24 to 27 February. Human rights, the indemnity law and restrictions to freedom of the press were among the issues examined. On 6 May, Mr Patten, Member of the Commission, met Mr Amir Khosru Mahmud Chowdhury, Bangladeshi Minister for Commerce, in Brussels.

946. *Pakistan*. The European Union troika went to Islamabad on 21 October. Mr Mian Khursheed Mehmood Kasuri, Foreign Minister, met Mr Patten in Brussels on 5 November. On 1 December, Mr Humayun Akhtar Khan, Minister for Commerce, met Mr Lamy in Paris to discuss trade issues.

947. *Sri Lanka*. The Tokyo conference on the reconstruction and development of Sri Lanka on 9 and 10 June was co-chaired by the European Union. On 25 October, the EU troika met, in New York, the Sri Lankan government delegation. On 20 November <sup>(2)</sup>, the European Parliament called for a political solution and a lasting peace. On 25 and 26 November <sup>(3)</sup>, Mr Patten went to Sri Lanka where he met representatives of the different parties.

948. *India*. The ministerial meeting between India and the European Union held in Athens on 11 January <sup>(4)</sup> launched a discussion process on ways of strengthening relations between the two parties in the future. Mr Lamy went to India on 14 and 15 March <sup>(5)</sup>. The third EU–India summit was held in New Delhi on 29 November <sup>(6)</sup>, with Mr Atal Bihari Vajpayee, Indian Prime Minister, Ms Margherita Boniver, Italian Under-Secretary for Foreign Affairs, representing the Presidency, and Mr Prodi and Mr Patten for the Commission in attendance. A customs cooperation agreement was concluded, a decision to collaborate on the development and implementation of the Galileo satellite navigation programme adopted (→ point 667) and negotiations for signing a maritime agreement started. The political summit was preceded by a business summit on 28 and 29 November.

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<sup>(1)</sup> Bull. 11-2003, point 1.6.87.

<sup>(2)</sup> Bull. 11-2003, point 1.6.91.

<sup>(3)</sup> Bull. 11-2003, point 1.6.90.

<sup>(4)</sup> Bull. 1/2-2003, point 1.6.148.

<sup>(5)</sup> Bull. 3-2003, point 1.6.88.

<sup>(6)</sup> Bull. 11-2003, point 1.6.88. Previous summit: 2001 General Report, point 1061.

## South-East Asia <sup>(1)</sup>

949. *Cambodia*. Ahead of the legislative elections on 27 July, the European Parliament called on the Cambodian government, on 13 March <sup>(2)</sup> and on 3 July <sup>(3)</sup>, to take immediate measures to guarantee free and fair elections without intimidation or harassment. On 17 November <sup>(4)</sup>, the Council decided to extend and amend the EU's contribution to combating the destabilising accumulation and spread of small arms and light weapons in Cambodia <sup>(5)</sup>.

950. *Indonesia*. On 14 April <sup>(6)</sup>, the Council, recognising the efforts made by the Indonesian government to decentralise and stabilise the economy, expressed satisfaction at the dialogue established with Indonesia and reaffirmed the Union's desire to build a strengthened partnership. On 19 May <sup>(7)</sup> and 5 June <sup>(8)</sup>, the Council and Parliament called on the parties to resume negotiations and expressed concern at the upsurge of violence in Aceh. On 6 November, the European Union published, together with the United States and Japan, a statement on the state of emergency in Aceh. On 20 November, the European Parliament delivered its opinion on the situation in the Indonesian province (→ point 92).

951. *Laos*. Demanding respect for civil, political and human rights for the people of Laos and the immediate freeing of European journalists, Parliament gave its opinion on 3 July <sup>(9)</sup> on a Commission statement on cooperation with Laos in light of the political and human rights situation in the country.

952. *Malaysia*. Visiting Malaysia on 2 April for the inauguration of a new Commission delegation, Mr Lamy met Mr Abdullah Ahmad Badawi, the then deputy Prime Minister.

953. *Myanmar (Burma)*. On 13 March <sup>(10)</sup>, Parliament requested the State Peace and Development Council to prove its intention to work for national reconciliation, notably by relaunching a dialogue with Ms Aung San Suu Kyi and putting an end to all violations of human rights perpetrated by the authorities. Following its conclusions on 14 April <sup>(11)</sup>, the Council considered it necessary, on 28 April <sup>(12)</sup>, to extend the application of sanctions against the regime in Burma/Myanmar for one year and to extend the scope of Common Position 96/635/CFSP <sup>(13)</sup>. The Council also decided to suspend the extension of the visa

<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/asia/reg/sea.htm](http://europa.eu.int/comm/external_relations/asia/reg/sea.htm).

<sup>(2)</sup> Bull. 3-2003, point 1.6.86.

<sup>(3)</sup> Bull. 7/8-2003, point 1.6.130.

<sup>(4)</sup> Decision 2003/806/CFSP (OJ L 302, 20.11.2003; Bull. 11-2003, point 1.6.93).

<sup>(5)</sup> Decision 2002/904/CFSP (OJ L 313, 16.11.2002; 2002 General Report, point 955).

<sup>(6)</sup> Bull. 4-2003, point 1.6.76.

<sup>(7)</sup> Bull. 5-2003, point 1.6.96.

<sup>(8)</sup> Bull. 6-2003, point 1.6.112.

<sup>(9)</sup> Bull. 7/8-2003, point 1.6.134.

<sup>(10)</sup> Bull. 3-2003, point 1.6.89.

<sup>(11)</sup> Bull. 4-2003, point 1.6.78.

<sup>(12)</sup> Common Position 2002/297/CFSP (OJ L 106, 29.4.2003; Bull. 4-2003, point 1.6.79).

<sup>(13)</sup> OJ L 287, 8.11.1996; 1996 General Report, point 903; last amended by Common Position 2002/310/CFSP (OJ L 107, 24.4.2002; 2002 General Report, point 958).

ban and assets freeze, along with the prohibition of technical training or assistance under the arms embargo, until the end of October. On 5 June <sup>(1)</sup>, Parliament repeated its demand for the immediate freeing of members of the National League for Democracy and called for the scope of the measures envisaged in Common Position 2003/297/CFSP to be extended. On 20 June <sup>(2)</sup>, the Council decided to lift the suspension provided for in the common position. On 22 December <sup>(3)</sup>, it decided to update the list of persons subject to the restrictive measures provided for in the common position to take account of August's government reshuffle in Burma/Myanmar. On 7 July <sup>(4)</sup>, it decided to strengthen the ban on supplying training and technical assistance relating to military equipment under Regulation (EC) No 1081/2000 <sup>(5)</sup>. On 15 December <sup>(6)</sup>, the Council reiterated its support for international efforts to combat money laundering and the financing of terrorism, and for the work of the International Financial Action Group (IFAG).

**954. *Nepal.*** In a resolution of 23 October <sup>(7)</sup>, the European Parliament expressed concern at the breaking of the ceasefire in Nepal and at the plight of Bhutanese refugees, calling for a resumption of the democratic process.

**955. *Thailand.*** On a visit to Thailand on 31 March and 1 April <sup>(8)</sup>, Mr Lamy met Prime Minister Thaksin Shinawatra.

**956. *Vietnam.*** On 15 May and 20 November, the European Parliament issued its opinion on freedom of expression and religion in Vietnam (→ point 92). A new agreement on market access and on textiles entered into force in September. Following consultations with Vietnam in November on its accession to the World Trade Organisation, the European troika went to Hanoi on 26 November to discuss respect for human rights with the Vietnamese government.

## Far East <sup>(9)</sup>

**957. *China.*** Against the background of the changes that had taken place since 2001, such as China's membership of the WTO and the new leaders' accession to power — and in the light of the assessment of the implementation of its 1998 <sup>(10)</sup> and 2001 <sup>(11)</sup> communications — the Commission, in a policy paper of 10 September <sup>(12)</sup>, identified the new shared inter-

<sup>(1)</sup> Bull. 6-2003, point 1.6.114.

<sup>(2)</sup> Decision 2003/461/CFSP (OJ L 154, 21.6.2003; Bull. 6-2003, point 1.6.116).

<sup>(3)</sup> Decision 2003/907/CFSP (OJ L 340, 24.12.2003; Bull. 12-2003, point 1.6.127).

<sup>(4)</sup> Regulation (EC) No 1211/2003 (OJ L 169, 8.7.2003).

<sup>(5)</sup> OJ L 122, 24.5.2000; 2000 General Report, point 989.

<sup>(6)</sup> Bull. 12-2003, point 1.6.126.

<sup>(7)</sup> Bull. 10-2003, point 1.6.82.

<sup>(8)</sup> Bull. 4-2003, point 1.6.81.

<sup>(9)</sup> [http://europa.eu.int/comm/external\\_relations/asia/reg/nea.htm](http://europa.eu.int/comm/external_relations/asia/reg/nea.htm).

<sup>(10)</sup> COM(1998) 181; 1998 General Report, point 907.

<sup>(11)</sup> COM(2001) 265; 2001 General Report, point 1075.

<sup>(12)</sup> COM(2003) 533; Bull. 9-2003, point 1.6.116.

ests and challenges for the future in order to establish a mature partnership with China. It defined five priority fields: political dialogue and global governance; support for China's transition to an open society based on the rule of law and respect for human rights; promotion of China's economic opening at home and abroad; a cooperation programme with the Union; and a higher profile for the EU in China. The Council approved these guidelines in its conclusions of 13 October <sup>(1)</sup>. Mr Patten met Mr Li Zhaoxing, Foreign Minister, on the occasion of EU troika visits to Bali, on 24 July, and New York, on 26 September. The EU troika also went to Athens on 30 June. On 12 and 13 June <sup>(2)</sup>, Mr Lamy met Chinese Prime Minister Wen Jiabao. On that occasion, negotiations were started for the signing of a cooperation agreement on the peaceful uses of nuclear energy (→ point 662). During Mr Liikanen's visit to Beijing from 13 to 18 September <sup>(3)</sup>, an agreement establishing dialogue on industrial policy was signed. On 16 July <sup>(4)</sup>, the European Economic and Social Committee welcomed its cooperation with the Chinese economic and social committee. Ms Wallström, Member of the Commission, visited China from 10 to 13 November <sup>(5)</sup>; the two sides reaffirmed their intention to strengthen cooperation on the environment. On 22 and 25 November <sup>(6)</sup>, Mr Monti started negotiations in China in the field of competition. From 17 to 21 December, Ms Reding also visited China, for talks on strengthening exchanges in education and culture. On 18 December <sup>(7)</sup>, the European Parliament voted on whether to maintain the embargo on arms sales to China.

On 30 October <sup>(8)</sup>, Beijing was the venue for the annual EU–China summit, attended by Mr Hu Jintao, Chinese President, and Mr Wen Jiabao, Prime Minister, Mr Silvio Berlusconi, Italian Prime Minister and President of the European Council, Mr Prodi, President of the Commission, and Mr Javier Solana, High Representative for the CFSP. The parties stressed their desire to strengthen trade relations and reviewed the international situation. Agreements were concluded on China's participation in the European satellite navigation programme Galileo (→ point 667) and on Chinese tourism in Europe.

**958.** *Special administrative regions (SARs) of China.* On 8 April, Parliament adopted two resolutions on the Commission's third <sup>(9)</sup> and fourth <sup>(10)</sup> annual reports on the SAR of Hong Kong <sup>(11)</sup> and on the first <sup>(12)</sup> and second <sup>(13)</sup> reports on the SAR of Macao <sup>(14)</sup>. On

<sup>(1)</sup> Bull. 10-2003, point 1.6.84.

<sup>(2)</sup> Bull. 6-2003, point 1.6.109.

<sup>(3)</sup> Bull. 9-2003, point 1.6.118.

<sup>(4)</sup> OJ C 234, 30.9.2003; Bull. 7/8-2003, point 1.6.132.

<sup>(5)</sup> Bull. 11-2003, point 1.6.96.

<sup>(6)</sup> Bull. 11-2003, point 1.6.97.

<sup>(7)</sup> Bull. 12-2003, point 1.6.131.

<sup>(8)</sup> Bull. 10-2003, point 1.6.86.

<sup>(9)</sup> COM(2001) 431; 2001 General Report, point 1077.

<sup>(10)</sup> COM(2002) 450; 2002 General Report, point 964.

<sup>(11)</sup> Bull. 4-2003, point 1.6.73; Internet ([http://europa.eu.int/comm/external\\_relations/hong\\_kong/doc/index.htm](http://europa.eu.int/comm/external_relations/hong_kong/doc/index.htm)).

<sup>(12)</sup> COM(2001) 432; 2001 General Report, point 1077.

<sup>(13)</sup> COM(2002) 445; 2002 General Report, point 964.

<sup>(14)</sup> Bull. 4-2003, point 1.6.75; Internet ([http://europa.eu.int/comm/external\\_relations/macau/intro/rep.htm](http://europa.eu.int/comm/external_relations/macau/intro/rep.htm)).

10 July <sup>(1)</sup>, the Commission adopted a report assessing, three years after the handover, the development of the SAR of Macao and its relations with the EU. In its annual report on 15 September <sup>(2)</sup> relating to the year 2002, it proposed an evaluation of relations between the EU and the SAR of Hong Kong. On 13 October, a readmission agreement was signed with Macao. The readmission agreement signed in 2002 with Hong Kong was concluded in December with a view to implementation in 2004. Several statements were made on the Hong Kong basic law (→ point 764).

959. *Taiwan*. The Commission opened a European economic and trade office in Taipei on 10 March. In its communication of 10 September on the partnership with China (→ point 957), the Commission restated the EU's position regarding the peaceful settlement of the Taiwan issue as part of a dialogue on the Taiwan Straits and stressed the EU's desire to establish close links with Taiwan outside political issues.

960. *Mongolia*. From 10 to 12 September, Mr Nielson went to Ulan Bator where he took part in the Fifth Conference of New or Restored Democracies, meeting President Natsagiyn Bagabandi and Prime Minister Nambaryn Enkhbayar. He also made a statement on the extension of the ALA programme to Mongolia.

## Cooperation measures

961. *Financing of cooperation measures*. An amount of EUR 413 million was committed (including funds for Afghanistan and East Timor) under financial and technical cooperation with the countries of Asia <sup>(3)</sup>. EUR 102 million was committed under the heading of political, economic and cultural cooperation, and EUR 23 million for refugees and displaced persons.

962. *Fight against terrorism*. As part of the EU's rapid reaction mechanism (RRM), projects were launched dealing with the financing of terrorism, border management and policy advice in Indonesia (EUR 424 000) and the Philippines (EUR 651 000).

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<sup>(1)</sup> COM(2003) 415; Bull. 7/8-2003, point 1.6.131.

<sup>(2)</sup> COM(2003) 544; Bull. 9-2003, point 1.6.117.

<sup>(3)</sup> Details of the measures financed by the EC can be found in the *Bulletin of the European Union*.

## Section 12

# Relations with Latin America <sup>(1)</sup>

## Overview

963. *The European Union affirmed its desire to strengthen its links with Latin America and followed up on the commitments made in Madrid in 2002 to pursue a strategic partnership between the two regions. In this spirit, two agreements aiming to strengthen political dialogue and cooperation with the Andean Community and its Member States and with Central America were signed. The agreements define fields of strengthened cooperation such as the fight against terrorism and illegal immigration. The EU also sought to promote regional integration and conducted negotiations with a view to the conclusion of an association agreement with Mercosur.*

## Relations with regional groupings

964. *EU–Latin America/Caribbean strategic partnership.* In preparation for the third EU–Latin America/Caribbean summit, two meetings of high officials took place, one on 25 March in Greece and the other on 17 October in Mexico.

965. *Rio Group* <sup>(2)</sup>. At the 11th ministerial meeting between the EU and the Rio Group, held in Athens on 27 and 28 March <sup>(3)</sup>, discussions focused mainly on the prospects and general aspects of relations between the EU and the Rio Group, as well as on social cohesion and democratic governance in a new economic environment. It was noted at the meeting that cooperation between the two groups had grown steadily closer since the first Rio summit in 1999 <sup>(4)</sup>.

966. *EU–Central America* <sup>(5)</sup>. In line with the guidelines laid down in the Madrid Declaration of May 2002 <sup>(6)</sup> on the strengthening of a strategic partnership with Latin America, a political dialogue and cooperation agreement with Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama was signed in Rome on 15 December (Table III). The agreement aims to strengthen political dialogue and cooperation between the two regions, notably in such fields as the fight against terrorism and illegal immigration. Through the agreement the EU also aims to support the San José Group <sup>(7)</sup> regional integration process.

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/external\\_relations/la/index.htm](http://europa.eu.int/comm/external_relations/la/index.htm)).

<sup>(2)</sup> Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela.

<sup>(3)</sup> Bull. 3-2003, point 1.6.90. Previous meeting: 2001 General Report, point 1084.

<sup>(4)</sup> 1999 General Report, point 848.

<sup>(5)</sup> [http://europa.eu.int/comm/external\\_relations/ca/index.htm](http://europa.eu.int/comm/external_relations/ca/index.htm).

<sup>(6)</sup> 2002 General Report, point 969.

<sup>(7)</sup> Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

The European Council of 12 December <sup>(1)</sup> welcomed the signing of such an agreement. The launch of the negotiations had been the subject of exchanges of views between the parties at the 19th ministerial conference between the EU and the San José Group, which took place on 12 May <sup>(2)</sup>. At the latter meeting the ministers welcomed the progress made by the Central American countries in consolidating democracy. They emphasised the need to continue their cooperation with a view to establishing a culture of peace and promoting economic, social and cultural development, and praised the efforts made by Belize and Panama concerning their incorporation into the Central American Bank for Economic Integration <sup>(3)</sup>.

**967.** *EU–Andean Community* <sup>(4)</sup>. In line with the guidelines laid down in the Madrid Declaration of May 2002 <sup>(5)</sup> in favour of strengthening a strategic partnership with the Latin American countries, a political dialogue and cooperation agreement with the Andean Community and its Member States was signed on 15 December in Rome (Table III). The agreement aims to strengthen political dialogue and cooperation between the two regions in line with the 1996 Rome Declaration <sup>(6)</sup> and extends to other fields such as the fight against terrorism and illegal immigration. Through the agreement the EU also aims to support the regional integration process in the Andean Community. The European Council of 12 December <sup>(1)</sup> welcomed the signing of such an agreement. The launch of the negotiations had been the subject of exchanges of views between the parties at the 11th ministerial meeting between the EU and the Andean Community, held on 27 and 28 March in Athens <sup>(7)</sup>.

**968.** *Mercosur* <sup>(8)</sup>. A ministerial meeting between the EU and Mercosur, Chile and Bolivia <sup>(9)</sup> took place in Athens on 27 and 28 March. The participants stressed the importance given to full implementation of the work programme drawn up at the ministerial negotiations in Rio de Janeiro in July 2002 <sup>(10)</sup> and reiterated their common aim of concluding the negotiations for the bi-regional association agreement. At a ministerial meeting on 12 November a new work programme was drawn up with a view to defining the main stages for completing the agreement negotiations. The European Council of 12 December <sup>(1)</sup> welcomed the momentum given to the negotiations. Mr Lamy visited Argentina, Brazil, Paraguay and Uruguay from 10 to 16 December. During his visit,

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<sup>(1)</sup> Bull. 12-2003, point I.26.

<sup>(2)</sup> Bull. 5-2003, point 1.6.104; Internet ([http://europa.eu.int/comm/external\\_relations/ca/doc/19sjd.htm](http://europa.eu.int/comm/external_relations/ca/doc/19sjd.htm)). Previous conference: 2002 General Report, point 972.

<sup>(3)</sup> <http://www.iadb.org>.

<sup>(4)</sup> Bolivia, Colombia, Ecuador, Peru, Venezuela. Internet ([http://europa.eu.int/comm/external\\_relations/andean/intro/index.htm](http://europa.eu.int/comm/external_relations/andean/intro/index.htm)).

<sup>(5)</sup> 2002 General Report, point 969.

<sup>(6)</sup> 1996 General Report, point 915.

<sup>(7)</sup> Bull. 3-2003, point 1.6.93. Previous meeting: 2001 General Report, point 1084.

<sup>(8)</sup> [http://europa.eu.int/comm/external\\_relations/mercosur/intro/index.htm](http://europa.eu.int/comm/external_relations/mercosur/intro/index.htm).

<sup>(9)</sup> Bull. 3-2003, point 1.6.94.

<sup>(10)</sup> 2002 General Report, point 970.

discussions focused on the situation of the negotiations of the association agreement, Mercosur's progress towards regional integration and the Doha Development Agenda.

969. *Cooperation measures.* The Council adopted Decision 2003/543/CFSP <sup>(1)</sup> implementing Joint Action 2002/589/CFSP, which allocates EUR 700 000 for the needs of projects to combat the destabilising accumulation and spread of small arms and light weapons in South America and the Caribbean. Matters relating to cooperation measures are covered in Section 9 ('The information society') of Chapter IV (→ point 403).

## **Bilateral relations** <sup>(2)</sup>

970. Presidency statements on behalf of the European Union and Parliament resolutions on human rights concerning Latin American countries are shown in Table 15 (→ point 764) and Table 3 respectively (→ point 92).

971. *Argentina.* During his visit to Brussels from 21 to 23 January <sup>(3)</sup>, Mr Carlos Ruckauf, Argentine Foreign Minister, accompanied by Mr Martin Redrado, deputy Foreign Minister responsible for international trade, and Mr Aníbal Fernández, Production Minister, met Mr Javier Solana, CFSP High Representative, and Mr Prodi. On 29 September, the Council adopted a new regulation concerning the import of wine produced in Argentina using oenological practices not authorised in the Community (→ point 458).

972. *Bolivia.* In a resolution on 23 October <sup>(4)</sup>, Parliament condemned the acts of violence perpetrated in Bolivia and called on the new President, Mr Carlos Diego de Mesa Gisbert, to bring about the democratisation of the political system. The Brussels European Council of 16 and 17 October <sup>(5)</sup> had made a similar appeal.

973. *Brazil.* Mr Lamy visited Brazil from 29 January to 2 February <sup>(6)</sup> and was received by Mr Luiz Inácio Lula da Silva, the new Brazilian President. On 22 September, the Council decided to sign a scientific and technological cooperation agreement with the country (→ point 376).

974. *Chile.* On 18 February <sup>(7)</sup>, the Council adopted Regulation (EC) No 312/2003 to delegate to the Commission the capacity to adopt various implementing measures, such as the early entry into force of the tariff provisions of the association and free-trade agreement signed on 18 November 2002 (Table III). On 27 March <sup>(8)</sup>, the first meeting of the Asso-

<sup>(1)</sup> OJ L 185, 24.7.2003; Bull. 7/8-2003, point 1.6.8.

<sup>(2)</sup> [http://europa.eu.int/comm/external\\_relations/la/country.htm](http://europa.eu.int/comm/external_relations/la/country.htm).

<sup>(3)</sup> Bull. 1/2-2003, point 1.6.151.

<sup>(4)</sup> Bull. 10-2003, point 1.6.90.

<sup>(5)</sup> Bull. 10-2003, point 1.32.

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.153.

<sup>(7)</sup> OJ L 46, 20.2.2003; Bull. 1/2-2003, point 1.6.154.

<sup>(8)</sup> Bull. 3-2003, point 1.6.95.

ciation Council set up by the agreement was held in Athens. At the meeting the ministers welcomed the future cooperation established by the new agreement and adopted various procedures concerning the Association Council's operation. That meeting was followed by a trade negotiation meeting on 19 and 20 June in Chile. The first Association Committee was held on 10 and 11 December. On 21 July, the Council decided to conclude a scientific and technological cooperation agreement with Chile (→ point 376).

975. *Colombia*. Negotiations were launched with a view to the signing of a cooperation agreement between Colombia and Europol, the European Police Office (→ point 533).

976. *Guatemala*. Stressing its concern at the disturbances and violence that had marked the preparation of the Guatemalan general elections, the Brussels European Council of 16 and 17 October <sup>(1)</sup> called for a guarantee of free and transparent elections.

977. *Mexico*. The third session of the EU–Mexico Joint Council was held in Athens on 27 and 28 March <sup>(2)</sup>. The two sides highlighted their excellent bilateral relations and assessed the results of the association and free-trade agreement <sup>(3)</sup> since its entry into force in 2000. They discussed the short and medium-term prospects for their partnership, particularly in view of the forthcoming enlargement of the EU. From 23 to 25 June, Mr Monti visited Mérida (Mexico) for the second annual conference of the international competition network <sup>(4)</sup>, attended by a large number of anti-trust agencies. On 18 July, the Commission proposed the signing of a scientific and technological cooperation agreement with Mexico (→ point 376).

978. *Peru*. On 30 April <sup>(5)</sup>, Mr Patten received Mr Allan Wagner and Mr Javier Silva Ruete, respectively Foreign Minister and Economy and Finance Minister of Peru.

979. *Venezuela*. In a resolution dated 13 February <sup>(6)</sup>, Parliament, condemning the acts of violence that had taken place in Venezuela, supported efforts to create the conditions for dialogue and national reconciliation.

## Cooperation with Latin America

980. *Financing of cooperation in Latin America*. In 2003, the EU committed EUR 318 million for geographical cooperation; EUR 248.577 million for financial and technical cooperation with developing countries; EUR 46.345 million for political, economic and cultural cooperation with developing countries; EUR 10.55 million for aid

<sup>(1)</sup> Bull. 10-2003, point I.33.

<sup>(2)</sup> Bull. 3-2003, point 1.6.96. Previous Council: 2002 General Report, point 974.

<sup>(3)</sup> OJ L 276, 28.10.2000; 2000 General Report, point 1012.

<sup>(4)</sup> <http://www.internationalcompetitionnetwork.org/>.

<sup>(5)</sup> Bull. 4-2003, point 1.6.84.

<sup>(6)</sup> Bull. 1/2-2003, point 1.6.161.

to uprooted populations; and EUR 13.078 million for rehabilitation and reconstruction measures in developing countries.

981. *Devolution process.* The devolution of the management of Community aid (→ point 1157) has been completed for all Commission delegations in Latin America, with the exception of the Guatemala delegation. Verification missions took place in the delegations concerned by devolution in 2002.

982. *Observatory of EU–Latin America relations* <sup>(1)</sup>. The implementation of regional programmes continued in 2003. The creation of an Observatory of EU and Latin America Relations (OREAL) was proposed in September in order to build a network of non-profit-making institutions in both Latin America and the EU, with the assistance of a grant of EUR 1.350 million.

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<sup>(1)</sup> [http://europa.eu.int/comm/europeaid/projects/amlat/oreal\\_en.htm](http://europa.eu.int/comm/europeaid/projects/amlat/oreal_en.htm)

## Section 13

**ACP countries and OCTs****Overview**

983. *The Cotonou Agreement, lynchpin of the partnership between the European Union and the ACP countries, entered into force in 2003. This year saw the start of negotiations to give shape to the economic partnership agreements that the Union wishes to conclude with each of the main ACP regions in order to foster better integration of the ACP countries into the global economy. On financial cooperation, ninth European Development Fund (EDF) programming is now virtually completed, while the second wave of devolution of aid management to Commission delegations in the ACP countries has also been brought to fruition. The Commission also proposed integrating the EDF into the Union's general budget from which it had always been distinct.*

**Relations with ACP countries <sup>(1)</sup>****Institutions**

984. *ACP–EC Joint Parliamentary Assembly <sup>(2)</sup>. The Assembly held its fifth plenary session in Brazzaville (Republic of Congo) from 31 March to 3 April <sup>(3)</sup>. It welcomed the entry into force of the Cotonou Partnership Agreement (→ point 986). The Assembly also adopted a joint declaration on the war in Iraq and held a debate on the situation in Zimbabwe; it adopted resolutions on the International Criminal Court, the new partnership for Africa's development (NEPAD), the Johannesburg summit and its follow-up, research and sustainable development, the Doha multilateral negotiating round and the World Trade Organisation (WTO), sensitive products (coffee, rice, sugar and tuna), promotion of the private sector, racism, and the various regions covered by the ACP–EC partnership. In a resolution of 13 May <sup>(4)</sup> on the Assembly's work in 2002, the European Parliament said it was concerned at the inconsistency of the EU's policy on sanctions against Zimbabwe, welcomed the 'Cape Town declaration' concerning new trade agreements and called for the budgetisation of the European Development Fund.*

The Assembly's sixth plenary session took place in Rome from 13 to 15 October. For the first time, members of parliament included on their agenda issues prepared by three newly created committees: rights of the child and child soldiers; administration and sustainable conservation of natural resources as part of ninth EDF programming; use of the EDF. The Assembly also established for the first time the concept of 'emergency debate' practised

<sup>(1)</sup> <http://www.acpsec.org/>.

<sup>(2)</sup> <http://www.acpsec.org/gb/jointass/default.htm>.

<sup>(3)</sup> Bull. 4-2003, point 1.6.88. Previous meeting: 2002 General Report, point 988.

<sup>(4)</sup> Bull. 5-2003, point 1.6.108.

in the European Parliament, using it to discuss the outcome of the WTO conference in Cancún (→ point 781) and west Africa. These various subjects gave rise to a joint resolution, except on the outcome of Cancún, following a vote by separate chambers (ACP and European representatives voting separately), with a majority of European parliamentarians rejecting this part.

**985.** *ACP–EC Council of Ministers* <sup>(1)</sup>. The Council of Ministers held its 28th meeting in Brussels on 15 and 16 May <sup>(2)</sup>. One of the main topics of discussion was the use of ninth EDF resources and reserves, on which the ACP–EC Council agreed to adopt a decision to relieve the debt of the heavily indebted poor countries (→ point 831). Discussions also centred on the economic partnership agreements, trade cooperation, the implications of EU enlargement for the ACP countries, and the situation in Zimbabwe. The ACP–EC Council also approved a number of joint documents on political dialogue, access for non-State actors to EDF funding, the fight against drought and desertification, and preparations for forthcoming international conferences. The Council welcomed the accession of East Timor to the Cotonou Partnership Agreement (→ point 987) and granted Cuba observer status.

### Implementation of the Lomé Conventions and the Cotonou Partnership Agreement <sup>(3)</sup>

**986.** *Entry into force of the Cotonou Agreement*. On completion of the ratification procedures, the Partnership Agreement signed in Cotonou on 23 June 2000 <sup>(4)</sup> by 77 ACP countries and the Community and its Member States entered into force on 1 April <sup>(5)</sup>. Partly applicable for a transitional period since August 2000 <sup>(6)</sup>, the Agreement is based on five interdependent pillars: overall political dimension, encouragement of the participatory approach, stronger emphasis on poverty reduction, the introduction of a new framework for economic and trade cooperation, and reform of financial cooperation.

**987.** *Accession of East Timor*. On 16 May, the ACP–EC Council of Ministers approved the accession of East Timor to the ACP–EC Partnership Agreement with a temporary provision concerning financial assistance for the period 2000–05 <sup>(7)</sup>.

**988.** *Investment facility*. On 8 April <sup>(8)</sup>, the Council brought on stream the EUR 2.2 billion investment facility for the development of the private sector envisaged in

<sup>(1)</sup> [http://www.acpsec.org/gb/coumin\\_e.html](http://www.acpsec.org/gb/coumin_e.html).

<sup>(2)</sup> Bull. 5-2003, point 1.6.106. Previous meeting: 2002 General Report, point 989.

<sup>(3)</sup> <http://www.acpsec.org/gb/cotonou/accord1.htm>.

<sup>(4)</sup> OJ L 317, 15.12.2000; 2000 General Report, point 1023.

<sup>(5)</sup> OJ L 83, 1.4.2003; Bull. 4-2003, point 1.6.86.

<sup>(6)</sup> 2000 General Report, point 1023.

<sup>(7)</sup> Decision No 1/2003 of the ACP–EC Council of Ministers (OJ L 141, 7.6.2003; Bull. 5-2003, point 1.6.107).

<sup>(8)</sup> Decision 2003/268/EC (OJ L 99, 17.4.2003; Bull. 4-2003, point 1.6.89).

the first financial protocol (2000–05) to the Cotonou Agreement and managed by the European Investment Bank.

989. Information on suspension of the application of the Cotonou Agreement is to be found under the heading ‘Bilateral relations’ in this section (→ point 997).

### Macroeconomic support

990. Financing decisions were taken in 2003 for nine ACP countries for a total of EUR 732.8 million.

### Trade and development

991. *Economic partnership agreements (EPAs)*. In line with the approach agreed in 2002 when the process was launched <sup>(1)</sup>, the regional phase of the EPA negotiation began in the autumn. The Commission started negotiations with the central African region (CEMAC <sup>(2)</sup> and São Tomé and Príncipe), in Brazzaville on 4 October, and the west African region (Ecowas/UEMOA <sup>(3)</sup> and Mauritania), in Cotonou on 6 October. These negotiations are based on the economic integration process in those regions.

992. *Kimberley process*. Information on the Kimberley process certification scheme for the international trade in rough diamonds can be found in Section 3 (‘Common commercial policy’) of this chapter (→ point 800).

### Protocols

993. *Sugar*. The agreement on guaranteed prices for cane sugar for ACP and Indian producers during the delivery periods 2001/02 and 2002/03 was concluded on 26 May (→ point 830).

994. *Bananas*. In a resolution of 4 September <sup>(4)</sup>, the European Parliament took cognisance of the inventory drawn up by the Commission in December 2002 <sup>(5)</sup> of problems encountered in the period 2001–02 in implementing the special assistance framework for traditional ACP banana suppliers <sup>(6)</sup>. It expressed particular concern at the reduction in the budget for this mechanism and called on the Commission to pursue the objective of diversifying production, while reaffirming its preference for a customs tariff which, put in place in 2006, should promote the interests of the countries concerned.

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<sup>(1)</sup> 2002 General Report, point 992.

<sup>(2)</sup> Central African Economic and Monetary Community.

<sup>(3)</sup> Economic Community of West African States and West African Economic and Monetary Union.

<sup>(4)</sup> Bull. 9-2003, point 1.6.125.

<sup>(5)</sup> COM(2002) 763; 2002 General Report, point 998.

<sup>(6)</sup> Council Regulation (EC) No 856/1999 (OJ L 108, 27.4.1999; 1999 General Report, point 870).

## Relations with regional groupings

995. *Africa.* As the second EU–Africa summit due to be held in Lisbon in April had to be postponed, a ministerial meeting between the EU and African Union troikas was held on the fringes of the AU summit in Maputo on 10 July <sup>(1)</sup>. Mr Prodi and Mr Nielson attended the summit and welcomed the creation of new AU institutions and the appointment of its commission. The Maputo discussions focused on an initiative for an operation to support peace in Africa. Dialogue between the Union and Africa had been the subject of a Commission communication on 23 June <sup>(2)</sup>. On 21 July <sup>(3)</sup>, the decisions taken at Maputo were welcomed by the Council which expressed its readiness to back the AU’s efforts to promote security on the African continent and stressed the need to continue fostering coordination and operational links between the European Union and subregional African bodies.

A second ministerial meeting between the two troikas was held in Rome on 10 November. In fresh conclusions on EU–Africa relations adopted on 17 November <sup>(4)</sup>, the Council approved in principle the creation of a support facility for peace operations in Africa, to be funded initially from EDF resources (→ point 1010). It also endorsed the procedures adopted by the troikas to strengthen the effectiveness of dialogue between the two continents and welcomed the institutional progress made by the African Union, notably the establishment of a Peace and Security Council. On 12 December <sup>(5)</sup>, the European Council welcomed the strengthening of the EU–African partnership and the creation of the abovementioned financial facility. It reaffirmed the EU’s determination to support the peace process in Africa and stressed the need to use the instruments at the EU’s disposal in a coherent and coordinated fashion.

## Bilateral relations

996. Presidency statements on behalf of the European Union concerning the ACP countries appear in Table 15 (→ point 764). European Parliament resolutions on human rights in those countries are listed in Table 3 (→ point 92).

997. *Suspension of the application of the Cotonou Agreement.* Article 96 of the Agreement, which provides for suspension in the event of infringement by one of the parties of one of the ‘essential’ elements (respect for human rights, democratic principles and the rule of law) was used against certain ACP countries in 2003. The Council decided on 10 January <sup>(6)</sup> to extend up to 31 December measures taken in 2001 and 2002 against Haiti <sup>(7)</sup>. On 22 December, it decided on a further extension until 31 December 2004 <sup>(8)</sup>. The Council also

<sup>(1)</sup> Bull. 7/8-2003, point 1.6.146.

<sup>(2)</sup> COM(2003) 316; Bull. 6-2003, point 1.6.124.

<sup>(3)</sup> Bull. 7/8-2003, point 1.6.147.

<sup>(4)</sup> Bull. 11-2003, point 1.6.105.

<sup>(5)</sup> Bull. 12-2003, point 1.27.

<sup>(6)</sup> Decision 2003/53/EC (OJ L 20, 24.1.2003; Bull. 1/2-2003, point 1.6.168).

<sup>(7)</sup> Decision 2001/131/EC (OJ L 48, 17.2.2001; 2001 General Report, point 1116), last amended by Decision 2002/131/EC (OJ L 47, 19.2.2002; 2002 General Report, point 1004).

<sup>(8)</sup> Decision 2003/916/EC (OJ L 345, 31.12.2003; Bull 12-2003, point 1.6.145).

decided on an extension of measures, on 18 February <sup>(1)</sup>, taken against Zimbabwe, also in 2002 <sup>(2)</sup>. Following the military coup on 15 March in the Central African Republic, the Commission proposed to the Council, on 28 April <sup>(3)</sup>, opening consultations with Central African Republic representatives in order to examine the situation. On 24 November <sup>(4)</sup>, the Council decided to close consultations and partially suspend certain aspects of cooperation, while continuing it in social fields and in direct support to the population. On 26 August <sup>(5)</sup>, it proposed opening consultations with Guinea in the light of the gradual worsening of the democratic climate in that country over a number of years. On 17 December <sup>(6)</sup>, it put forward a similar proposal concerning Guinea-Bissau following the coup d'état. On the other hand, the normalisation of the democratic process in Fiji resulted in a decision by the EU to put an end to the restrictive measures decided upon in 2000 <sup>(7)</sup>.

**998. West Africa.** On 27 January <sup>(8)</sup>, the Council encouraged the parties to respect the agreement concluded some days before between the representative political forces in Côte d'Ivoire. Given the persistent nature of the conflict, the European Parliament expressed its concerns in a resolution adopted on 17 December <sup>(9)</sup>. On 25 April <sup>(10)</sup>, Mr Lamy visited Côte d'Ivoire and on 26 April he went to Senegal <sup>(11)</sup>. On 24 and 25 April, he took part in the meeting of west African trade and finance ministers in Accra, the Ghanaian capital <sup>(12)</sup>. In a resolution of 5 June <sup>(13)</sup>, Parliament denounced the fraud that was a feature of the elections for the national assembly, presidency and governorships in Nigeria. In conclusions on 17 November <sup>(14)</sup>, the Council underlined the challenges that Nigeria had still to face in terms of security, human rights, economic reform and constitutional consolidation, and called for a regular political dialogue between the European Union and Nigeria.

Concerning Liberia, the Council extended on 16 June <sup>(15)</sup> the ban imposed in 2002 on supplying technical assistance or training in connection with military activities and on importing rough diamonds originating in or coming from that country <sup>(16)</sup>. On 25 August <sup>(17)</sup>, it amended Decision 2002/274/EC <sup>(18)</sup> concluding the consultations under

<sup>(1)</sup> Decision 2003/112/EC (OJ L 46, 20.2.2003; Bull. 1/2-2003, point 1.6.176).

<sup>(2)</sup> Decision 2002/148/EC (OJ L 50, 21.2.2002; 2002 General Report, point 1004).

<sup>(3)</sup> COM(2003) 222; Bull. 4-2003, point 1.6.102.

<sup>(4)</sup> Decision 2003/837/EC (OJ L 319, 4.12.2003; Bull. 11-2003, point 1.6.111).

<sup>(5)</sup> COM(2003) 517; Bull. 7/8-2003, point 1.6.150.

<sup>(6)</sup> COM(2003) 824; Bull. 12-2003, point 1.6.143.

<sup>(7)</sup> 2000 General Report, point 1035.

<sup>(8)</sup> Bull. 1/2-2003, point 1.6.165.

<sup>(9)</sup> Bull. 12-2003, point 1.6.141.

<sup>(10)</sup> Bull. 4-2003, point 1.6.94.

<sup>(11)</sup> Bull. 4-2003, point 1.6.106.

<sup>(12)</sup> Bull. 4-2003, point 1.6.99.

<sup>(13)</sup> Bull. 6-2003, point 1.6.133.

<sup>(14)</sup> Bull. 11-2003, point 1.6.110.

<sup>(15)</sup> Regulation (EC) No 1030/2003 (OJ L 150, 18.6.2003; Bull. 6-2003, point 1.6.129).

<sup>(16)</sup> Regulation (EC) No 1318/2002 (OJ L 194, 23.7.2002; 2002 General Report, point 1005).

<sup>(17)</sup> Decision 2003/631/EC (OJ L 220, 3.9.2003; Bull. 7/8-2003, point 1.6.149).

<sup>(18)</sup> OJ L 96, 13.4.2002; 2002 General Report, point 1004.

Article 96 of the Cotonou Agreement (→ point 997) in order to unblock funds to finance peacekeeping operations, demobilisation and the restoration of democratic structures. On 22 September, by Common Position 2003/666/CFSP <sup>(1)</sup>, then on 27 October, by Common Position 2003/771/CFSP <sup>(2)</sup>, the Council allowed an exemption to the restrictive measures taken against Liberia in 2001 <sup>(3)</sup> and removed from the embargo the supply of arms and related equipment and the provision of technical assistance for the multinational force established by the UN <sup>(4)</sup>. On 4 September <sup>(5)</sup>, Parliament welcomed the comprehensive peace agreement signed in Accra and the prospects offered by the peace-keeping operation.

From 12 to 15 November, Mr Prodi visited Côte d'Ivoire, Senegal and Burkina Faso <sup>(6)</sup> where he met the Heads of State of those three countries. He also gave a speech to the Senegalese National Assembly and then to that of Burkina Faso.

**999.** *East Africa.* On 27 January <sup>(7)</sup>, the Council adopted a regulation reiterating the ban formulated in its Common Position 2002/960/CFSP concerning the provision of financing for arms sales or for assistance related to military activities in Somalia <sup>(8)</sup>.

In April, Mr Nielson visited Ethiopia <sup>(9)</sup>, Eritrea <sup>(10)</sup> and Sudan <sup>(11)</sup>. In a resolution of 3 July <sup>(12)</sup>, Parliament condemned the continuing violations of human rights by all parties to the conflict in northern Uganda.

**1000.** *Central Africa.* Throughout the year, the situation in central Africa was the subject of opinions issued by the European institutions. On 16 January <sup>(13)</sup>, the European Parliament deplored the political conditions surrounding the presidential election in Equatorial Guinea. The Council delivered an opinion on 27 January <sup>(14)</sup> and on 21 July <sup>(15)</sup> on the Great Lakes region, notably the Democratic Republic of the Congo. Parliament also expressed its concern on 30 January <sup>(16)</sup> and 15 May <sup>(17)</sup>, while the Thessaloniki European

<sup>(1)</sup> OJ L 235, 23.9.2003; Bull. 9-2003, point 1.6.135.

<sup>(2)</sup> OJ L 278, 29.10.2003; Bull. 10-2003, point 1.6.99.

<sup>(3)</sup> Common Position 2001/357/CFSP (OJ L 126, 8.5.2001; 2001 General Report, point 1126).

<sup>(4)</sup> Regulation (EC) No 1662/2003 (OJ L 235, 23.9.2003; Bull. 9-2003, point 1.6.136) and Regulation (EC) No 1891/2003 (OJ L 278, 29.10.2003; Bull. 10-2003, point 1.6.100).

<sup>(5)</sup> Bull. 9-2003, point 1.6.134.

<sup>(6)</sup> Bull. 11-2003, point 1.6.106.

<sup>(7)</sup> Regulation (EC) No 147/2003 (OJ L 24, 29.1.2003; Bull. 1/2-2003, point 1.6.171).

<sup>(8)</sup> OJ L 334, 11.12.2002; 2002 General Report, point 1006.

<sup>(9)</sup> Bull. 4-2003, point 1.6.98.

<sup>(10)</sup> Bull. 4-2003, point 1.6.97.

<sup>(11)</sup> Bull. 4-2003, point 1.6.107.

<sup>(12)</sup> Bull. 7/8-2003, point 1.6.162.

<sup>(13)</sup> Bull. 1/2-2003, point 1.6.167.

<sup>(14)</sup> Bull. 1/2-2003, point 1.6.169.

<sup>(15)</sup> Bull. 7/8-2003, point 1.6.163.

<sup>(16)</sup> Bull. 1/2-2003, point 1.6.170.

<sup>(17)</sup> Bull. 5-2003, point 1.6.116.

Council on 19 and 20 June encouraged the peace efforts in the Democratic Republic of the Congo <sup>(1)</sup>. On 16 June, the Council extended the mandate of the EU special representative for the Great Lakes region, Mr Aldo Ajello, up to 31 December <sup>(2)</sup>. On 8 December <sup>(3)</sup>, this mandate was extended to 30 June 2004. The Brussels European Council on 16 and 17 October <sup>(4)</sup> welcomed the progress made in central Africa to stabilise the countries concerned and expressed its readiness to contribute to the economic, institutional and social reconstruction of the Great Lakes region. In conclusions adopted on 8 December <sup>(5)</sup>, the Council welcomed the progress made by Rwanda since the tragic events of 1994 and set out lines of action for supporting this country, regarded as a powerful catalyst for the Great Lakes region.

On 8 May, replacing Common Position 2002/203/CFSP <sup>(6)</sup> by a new common position <sup>(7)</sup>, the Council undertook to provide support for action by the UN and the AU towards implementation of the Lusaka ceasefire agreement and the peace process in the Democratic Republic of the Congo. On 5 June <sup>(8)</sup>, it defined the framework for the Artemis military operation to be conducted by the Union in the Democratic Republic of the Congo (DRC) pursuant to the mandate given by the UN Security Council on 30 May to stabilise the security and humanitarian situation in the Ituri region. On 12 June <sup>(9)</sup> the operation got under way. On 21 July, the Council adopted a decision on the financing of common costs arising from the operation <sup>(10)</sup> and issued negotiating directives for an agreement with Brazil, Canada, Hungary and South Africa on their participation in the operation <sup>(11)</sup>. On 22 September <sup>(12)</sup>, it authorised Cyprus to take part. On 29 September, it amended Common Position 2002/829/CFSP <sup>(13)</sup> replacing it with a new common position <sup>(14)</sup> authorising certain exemptions from the arms embargo in order to support the international forces deployed in the DRC as part of the peace process; that same day, this initiative was implemented by Regulation (EC) No 1727/2003 <sup>(15)</sup>. As for the reconstruction of the DRC and support for its transition to democracy, the Council reallocated, on 21 July <sup>(16)</sup>, an additional amount of EUR 105 million from debt service payments relating to risk capital and special loans granted under the second, third, fourth, fifth and sixth EDFs.

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<sup>(1)</sup> Bull. 6-2003, point I.41.

<sup>(2)</sup> Joint Action 2003/447/CFSP (OJ L 150, 18.6.2003; Bull. 6-2003, point 1.6.125).

<sup>(3)</sup> Joint Action 2003/869/CFSP (OJ L 326, 13.12.2003; Bull. 12-2003, point 1.6.139).

<sup>(4)</sup> Bull. 10-2003, point I.34.

<sup>(5)</sup> Bull 12-2003, point 1.6.147.

<sup>(6)</sup> OJ L 68, 12.3.2003; 2002 General Report, point 1007.

<sup>(7)</sup> Common Position 2003/319/CFSP (OJ L 115, 9.5.2003; Bull. 5-2003, point 1.6.115).

<sup>(8)</sup> Joint Action 2003/423/CFSP (OJ L 143, 11.6.2003; Bull. 6-2003, point 1.6.134).

<sup>(9)</sup> Decision 2003/432/CFSP (OJ L 147, 14.6.2003; Bull. 6-2003, point 1.6.135).

<sup>(10)</sup> Bull. 7/8-2003, point 1.6.164.

<sup>(11)</sup> Bull. 7/8-2003, point 1.6.165.

<sup>(12)</sup> Decision 2003/693/CFSP (OJ L 253, 7.10.2003; Bull. 9-2003, point 1.6.140).

<sup>(13)</sup> OJ L 285, 23.10.2002; 2002 General Report, point 1007.

<sup>(14)</sup> Common Position 2003/680/CFSP (OJ L 249, 1.10.2003; Bull. 9-2003, point 1.6.138).

<sup>(15)</sup> OJ L 249, 29.9.2003; Bull. 9-2003, point 1.6.139.

<sup>(16)</sup> Decision 2003/583/CFSP (OJ L 198, 6.8.2003; Bull. 7/8-2003, point 1.6.166).

**1001. *Southern Africa.*** Between 23 and 29 January <sup>(1)</sup>, Mr Nielson was on a visit to Zambia, Angola and South Africa. On 27 January <sup>(2)</sup>, pursuant to UN Security Council Resolution 1448 (2002) and Common Position 2002/991/CFSP <sup>(3)</sup>, the Council repealed Regulation (EC) No 1705/98 <sup>(4)</sup> imposing the interruption of certain economic relations with Angola in connection with the activities of UNITA.

On Zimbabwe, aside from implementation of the procedure suspending EU cooperation (→ point 997), the Council decided on 18 February <sup>(5)</sup> to extend to 20 February 2004 the restrictive measures adopted in 2002 <sup>(6)</sup>; that same day <sup>(7)</sup>, Regulation (EC) No 310/2002 implementing these measures was also extended by 12 months <sup>(8)</sup>. In a resolution of 5 June <sup>(9)</sup>, Parliament condemned the increasingly violent repression by the Mugabe regime against the Zimbabwean people.

On 21 October, as part of the mid-term review of the application of Regulation (EC) No 1726/2000 on development cooperation with South Africa <sup>(10)</sup>, the Commission proposed making a few amendments to this regulation (Table I), notably by adapting it to the new financial regulation applicable to the Community budget <sup>(11)</sup>, by putting in place four-year indicative programmes and increasing by EUR 15 million the initial allocation of EUR 885.5 million for restructuring the wines and spirits sector.

**1002. *Caribbean.*** Between 9 and 14 March <sup>(12)</sup>, Mr Nielson made his first official visit to Cuba, meeting President Castro and other personalities including Mr Oswaldo Payá Sardiñas, winner of the Sakharov Prize for freedom of thought awarded by the European Parliament in 2002 <sup>(13)</sup>. He also opened the Commission's delegation in Havana. The deterioration in human rights in Cuba was also broached by the Council on 14 April <sup>(14)</sup> and 16 June <sup>(15)</sup>, a concern also expressed by the Thessaloniki European Council <sup>(16)</sup>. On 21 July <sup>(17)</sup>, the Council reaffirmed the validity of Common Position 96/697/CFSP under which the Union seeks to encourage Cuba in the transition to a multi-party democracy and in the respect for human rights <sup>(18)</sup>.

<sup>(1)</sup> Bull. 1/2-2003, point 1.6.175.

<sup>(2)</sup> Regulation (EC) No 146/2003 (OJ L 24, 29.1.2003; Bull. 1/2-2003, point 1.6.164).

<sup>(3)</sup> OJ L 348, 21.12.2002; 2002 General Report, point 1008.

<sup>(4)</sup> OJ L 215, 1.8.1998; 1998 General Report, point 951.

<sup>(5)</sup> Common Position 2003/115/CFSP (OJ L 46, 20.2.2003; Bull. 1/2-2003, point 1.6.177).

<sup>(6)</sup> Common Position 2002/145/CFSP (OJ L 50, 21.2.2002; 2002 General Report, point 1008).

<sup>(7)</sup> Regulation (EC) No 310/2002 (OJ L 50, 21.2.2002; 2002 General Report, point 1008).

<sup>(8)</sup> Regulation (EC) No 313/2003 (OJ L 46, 20.2.2003; Bull. 1/2-2003, point 1.6.178).

<sup>(9)</sup> Bull. 6-2003, point 1.6.140.

<sup>(10)</sup> OJ L 198, 4.8.2000; 2000 General Report, point 1034.

<sup>(11)</sup> Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002; 2002 General Report, point 1048).

<sup>(12)</sup> Bull. 3-2003, point 1.6.101.

<sup>(13)</sup> 2002 General Report, point 47.

<sup>(14)</sup> Bull. 4-2003, point 1.6.96.

<sup>(15)</sup> Bull. 6-2003, point 1.6.126.

<sup>(16)</sup> Bull. 6-2003, point I.40.

<sup>(17)</sup> Bull. 7/8-2003, point 1.6.154.

<sup>(18)</sup> OJ L 322, 12.12.1996; 1996 General Report, point 918.

1003. *East Timor*. The Thessaloniki European Council meeting on 19 and 20 June <sup>(1)</sup> stressed that it was closely monitoring the situation of Timorese refugees still on Indonesian territory.

## Relations with the overseas countries and territories (OCTs) <sup>(2)</sup>

1004. *Greenland*. The Council authorised the Commission to negotiate a mid-term review of the fourth fisheries protocol between the European Union and Greenland (→ point 488).

## Financial and technical cooperation

1005. *Financial regulation applicable to the ninth European Development Fund (EDF)*. On 27 March <sup>(3)</sup>, the Council adopted this new financial regulation concerning the management of the ninth EDF for the implementation of financial cooperation with the ACP States and the OCTs up to 2005. Aiming at greater transparency and efficiency in the long term, the regulation sets out detailed rules for the payment of Member States' contributions to the EDF and the allocation of financial assistance to the beneficiary countries. It also sets out the conditions in which the Court of Auditors can exercise its powers with regard to the Fund.

1006. *Financing of regional cooperation*. With the resources of the ninth EDF budget for regional cooperation and integration now programmed, the ACP–EC Council of Ministers decided, on 16 May <sup>(4)</sup>, to transfer EUR 335 million from unallocated ninth EDF resources for long-term development to the regional cooperation and integration budget. This amount is designed to relieve the debt of ACP countries eligible for the heavily indebted poor countries initiative (→ point 831).

1007. *Implementation of the European Development Funds*. On 7 March <sup>(5)</sup>, in order to finance the costs of internalising the management system for individual consultants working in the ACP States and OCTs for four years, the Council decided to draw EUR 2.7 million from the funds deposited in cash accounts of the European Development Fund. On 13 June <sup>(6)</sup>, the Commission presented financial information on the EDF to enable the Council to adopt the level of Member States' contributions to the ninth EDF. On 6 August <sup>(7)</sup>, it communicated the balance sheets of the sixth, seventh and eighth EDFs for financial year 2002. On 7 August <sup>(8)</sup>, it established the financial statements and

<sup>(1)</sup> Bull. 6-2003, point 1.37.

<sup>(2)</sup> [http://europa.eu.int/comm/development/oct/index\\_en.htm](http://europa.eu.int/comm/development/oct/index_en.htm).

<sup>(3)</sup> OJ L 83, 1.4.2003; Bull. 3-2003, point 1.7.13.

<sup>(4)</sup> Decision No 2/2003 of the ACP–EC Council of Ministers (OJ L 152, 20.6.2003; Bull. 5-2003, point 1.6.118).

<sup>(5)</sup> Decision 2003/175/EC (OJ L 70, 14.3.2003; Bull. 3-2003, point 1.6.111).

<sup>(6)</sup> COM(2003) 353; Bull. 6-2003, point 1.6.142.

<sup>(7)</sup> COM(2003) 475; Bull. 7/8-2003, point 1.6.172.

<sup>(8)</sup> COM(2003) 491; Bull. 7/8-2003, point 1.6.173.

management account of the eighth EDF as at 31 December 2002. In its conclusions of 17 November <sup>(1)</sup>, the Council approved the Court of Auditors Special Report No 8/2003 on the execution of infrastructure works financed by the EDF (→ point 1110).

**1008.** *Devolution of aid management.* The funds necessary to finance the third wave of devolution of aid management to the Commission delegations were obtained in May. This stage could not be reached earlier as EDF funds could not be made available before entry into force of the Cotonou Agreement on 1 April (→ point 986). The bulk of the cost (EUR 120 million) of this stage of the devolution process is covered by the ninth EDF. At the end of 2003, more than half of all the delegations in the ACP countries had started using devolved procedures.

**1009.** *Budgetisation of the European Development Fund.* In a communication of 8 October <sup>(2)</sup>, the Commission proposed integrating the European Development Fund into the EU's general budget, an opportune step in the political context of enlargement and the financial framework after 2006, and of the Intergovernmental Conference on the reform of the Treaty and the resultant new status of the EU. The Commission also justified its move in the light of development policy and the impact of the reform of the management of its external aid, and in the light of the upcoming review of the Cotonou Agreement. It felt that budgetisation offered technical advantages such as greater effectiveness owing to guaranteed predictability of financial resources, rapid availability of funds and easier reallocation in keeping with needs, and lesser burdens on beneficiary countries thanks to unified administrative rules and decision-making structures; furthermore, integration of expenditure in a single budget made external aid more transparent. The Commission stressed that budgetisation of the EDF should revitalise relations with the ACP countries in various ways: European Parliament authorisation was required, so that aid to those countries would have a new public legitimacy, and the reform would put an end to a cost-sharing system among Member States which had become obsolete since cooperation with ACP countries and OCTs would now genuinely take place at European Union level.

**1010.** *Peace facility for Africa.* On 17 November, the Council approved a Commission proposal <sup>(3)</sup> aimed at creating, with the blessing of the ACP–EC Council of Ministers, a facility for supporting African-led peacekeeping operations. This facility, amounting to EUR 250 million, would be provisionally financed from ninth EDF resources for long-term development. In a joint statement adopted at the same meeting <sup>(4)</sup>, the Council and the Commission justified the initiative by pointing to the link between security, stability and development in Africa and the prospects of strengthening institutional capacity. On 11 December, the ACP–EU Council of Ministers agreed on the financing of this facility <sup>(5)</sup>.

<sup>(1)</sup> Bull. 11-2003, point 1.6.117.

<sup>(2)</sup> COM(2003) 590; Bull. 10-2003, point 1.6.105.

<sup>(3)</sup> COM(2003) 638; Bull. 11-2003, point 1.6.114.

<sup>(4)</sup> Bull. 11-2003, point 1.6.115.

<sup>(5)</sup> Decision No 3/2003 of the ACP–EU Council of Ministers (OJ L 345, 31.12.2003).

1011. In 2003, EUR 3 715.6 million was granted for financial and technical cooperation under the European Development Funds. The breakdown by sector is set out in Table 18.

**Table 18**

<b>Annual breakdown of financing decisions for ACP countries</b>		<i>(million EUR)</i>
<b>Sector</b>	<b>Amount granted</b>	
	<b>2003 <sup>(1)</sup></b>	
Caribbean	180.2	
Central Africa	198	
West Africa	790.1	
Pacific	58.9	
East and central Africa, Indian Ocean	1 472.4	
Non-geographic programmes	1 016	
<b>Total</b>	<b>3 715.6</b>	

<sup>(1)</sup> Provisional figures.

*Section 14***Wider Europe — Neighbourhood policy**

1012. *Relations with the enlarged Union's neighbours to the south and east.* In a communication of 11 March <sup>(1)</sup>, the Commission proposed a new framework for relations between the enlarged European Union and the countries located on the Union's external land and sea frontiers, i.e. Russia, the western new independent States (Ukraine, Moldova, Belarus), and the countries of the southern Mediterranean (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, the Palestinian Authority, Syria and Tunisia). The Commission recommends that the Union make every effort to create a zone of prosperity and friendly neighbourhood — a 'ring of friends' with whom it will enjoy close and peaceful relations based on cooperation. It suggests that, in return for progress by those countries in observing shared values and effectively introducing political, economic and institutional reform, the Union offer its neighbours the prospect of a stake in the internal market together with further integration and liberalisation in order to promote the 'four freedoms'. Specifically, the Commission proposes: extending the internal market and regulatory structures; preferential trade relations and opening up markets; the prospect of lawful migration and the movement of persons; closer cooperation to prevent and combat common security threats; greater EU political involvement in conflict prevention and crisis management; greater efforts to promote human rights; integration into transport, energy and telecommunications networks and the European research area; new instruments for promoting and protecting investments; support for integration into the global trading system; enhanced assistance better tailored to needs; and, lastly, new sources of finance. The Commission envisages implementing this policy within the framework of national and/or regional action programmes developed in partnership with neighbouring countries, which could become the key documents setting out the policy to be pursued by the Union in the medium term in its relations with those countries. The Commission also envisages concluding new neighbourhood agreements.

On 16 June <sup>(2)</sup>, the Council welcomed the Commission communication, stressing that these neighbourhood policies should be based on such shared values as liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law. The Council stated also that these policies should not in any way override the existing framework for EU relations. It called on the Commission to present proposals, from 2004 onwards, for action programmes for all the countries concerned together with an approach for creating a new instrument designed to support those policies. These conclusions of the Council were endorsed by the Thessaloniki European Council <sup>(3)</sup>. The Commission initiative was also supported by the Committee of the Regions on 9 October <sup>(4)</sup>.

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<sup>(1)</sup> COM(2003) 104; Bull. 3-2003, point 1.6.79.

<sup>(2)</sup> Bull. 6-2003, point 1.6.97.

<sup>(3)</sup> Bull. 6-2003, point 1.18.

<sup>(4)</sup> Bull. 10-2003, point 1.5.13.

On 1 July, at the request of the Council, the Commission presented a communication reviewing the possibilities of creating a new neighbourhood instrument <sup>(1)</sup>. It establishes four objectives: promoting sustainable economic and social development in border regions <sup>(2)</sup>; working together to address common challenges in fields such as the environment, public health and preventing and fighting organised crime; secure and efficient border management; and, lastly, promoting local ‘people-to-people’ type actions. The communication also describes the difficulties involved in coordinating the current instruments (Interreg, Phare, Tacis, CARDS, MEDA) for joint actions on both sides of the border. It proposes a two-phase approach: in the period 2004–06, the aid will be based on progress achieved in coordinating the various instruments and in implementing neighbourhood programmes; post-2006, a new neighbourhood instrument could be introduced, allowing cross-border and regional/transnational cooperation actions to be developed in the areas along the external borders.

In its conclusions of 13 October <sup>(3)</sup>, the Council said that the new Commission communication could represent a valuable basis for developing instruments for strengthening cross-border cooperation at the Union’s external frontiers, and in particular regional/transnational cooperation. It underlined that special attention would be paid to strengthening civil society, supporting institutional capacity as well as promoting the transparency of State and local authorities. It also welcomed the Commission’s intention of drawing up neighbourhood programmes for the period 2004–06 before establishing any new single neighbourhood instrument. The Council was pleased about the measures the Commission planned to take to introduce the neighbourhood programmes and noted the funding proposed for each programme. It also encouraged the Commission to undertake a study on the feasibility and impact of a new instrument. The European Council meeting on 16 and 17 October <sup>(4)</sup> welcomed the progress that had been achieved and urged the Council and the Commission to bring forward the work on implementing the initiative with a view to ensuring a comprehensive, balanced and proportionate approach, including a financial instrument.

In a resolution of 20 November <sup>(5)</sup>, Parliament too spoke about relations with the ‘new neighbours’, including in this concept a wider range of countries (Turkey, the western Balkans, the countries of the southern Caucasus, the European Free Trade Association countries, Andorra, the Holy See, Libya, Mauritania and the Gulf States). It envisages structuring these relations around three types of policies: human rights, democracy, the rule of law, the development of civil society; the movement of people, judicial cooperation, combating terrorism, conflict prevention; the movement of goods, capital and services, and employment. Parliament also wanted to distinguish relations according to regions and countries concerned and preferred the approach of association agreements. It also suggested setting up a Euro-Mediterranean parliamentary assembly.

<sup>(1)</sup> COM(2003) 393; Bull. 7/8-2003, point 1.5.2.

<sup>(2)</sup> <http://europa.eu.int/comm/enlargement/borderregions/>.

<sup>(3)</sup> Bull. 10-2003, point 1.5.2.

<sup>(4)</sup> Bull. 10-2003, point 1.22.

<sup>(5)</sup> Bull. 11-2003, point 1.5.12.

*Section 15***Diplomatic relations <sup>(1)</sup>**

**1013.** *Management of the External Service.* As part of implementation of internal provisions on the administrative reform of its External Service, the Commission made a number of further changes, improving and adjusting the way the service is managed, with a clearer set of management rules, the ground rules governing delegations' activities and personnel policy. Administrative devolution, launched with the 2002–03 budget exercise, will give the delegations full responsibility for implementing their own budgets. Furthermore, on 16 June, in preparation for accession of the new Member States, the Commission approved a communication on turning the delegations in the 10 accession countries into Commission offices (→ points 44 to 47).

**1014.** *Delegations.* As one of the final measures in the implementation of its communication of 3 July 2001 on the development of its External Service <sup>(2)</sup> and in line with previous decisions, the Commission opened new delegations in 2003 in Cuba, Ecuador, Laos and Malaysia. It also opened an Economic and Trade Office in Taiwan.

On 14 November, the Commission adopted a new communication setting out in detail how the External Service will develop in the future. This envisages the opening of new delegations in New Zealand and in Yemen and turning 16 representations, offices, regional offices and local representations into delegations and regionalised delegations.

**1015.** *Statistics.* At the end of the year, the Commission had 130 delegations, some of which were accredited to more than one country or international organisation. It was represented by 105 heads of delegation.

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<sup>(1)</sup> [http://europa.eu.int/comm/external\\_relations/delegations/intro/index.htm](http://europa.eu.int/comm/external_relations/delegations/intro/index.htm).

<sup>(2)</sup> COM(2001) 381; 2001 General Report, point 1130.

## Chapter VII

# Financing of Community activities, resource management, protection of the Communities' financial interests

## Section I

### Overview

1016. *For the financing of Community activities, 2003 was a landmark year in many respects. It was the first year of application of the new financial regulation, involving fundamental changes in the way the European Union's finances are managed.*

*It was also the first year in which the budget was prepared for a 25-nation Union. This budget was also the first to be presented entirely using the activity-based budgeting method. The 2004 budget was adopted by Parliament on 18 December. The budget approved and signed is for the Fifteen and totals EUR 99.52 billion for commitments and EUR 94.61 billion for payments. An amending budget will be adopted early in 2004 to add the appropriations required for the new Member States and will bring the total to EUR 111.3 billion for commitments and EUR 99.72 billion for payments.*

*In April the European Parliament granted the Commission a discharge in respect of implementation of the 2001 budget.*

*The year also saw wide-ranging discussions and preparations concerning the forthcoming post-2006 financial perspective. It was decided not to present the Commission proposal until after the December European Council. Work on the modernisation of the accounting system continued as planned.*

*Section 2***Financial perspective**

1017. *Impact of enlargement.* Despite the Commission's warning, for the first time a financial framework for the 10 future Member States was included in the Treaty of Accession. In a resolution passed on 27 March <sup>(1)</sup>, Parliament expressed reservations about the introduction of a financial framework in the draft Accession Treaty.

After long and difficult negotiations Parliament and the Council reached agreement on the adjustment of the financial perspective for enlargement (Table I) and agreed to raise the ceiling for Heading 3 'Internal policies' (Table I). The adjustment was provided for in the interinstitutional agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure <sup>(2)</sup> and served two purposes: to adjust the initial financial framework — which provided for the accession of six new members in 2002 — for enlargement to include 10 new members in 2004, at 1999 prices (this was made necessary by the outcome of the accession negotiations, endorsed by the Copenhagen European Council <sup>(3)</sup>) and also to make a technical adjustment in line with movements in prices and gross national income (GNI) to adapt the figures to 2004 prices.

Table 19 presents the financial perspective after these adjustments.

1018. *Adjustment for 2005.* In accordance with point 15 of the interinstitutional agreement of 6 May 1999, the Commission sent to the budgetary authority on 12 December the results of the technical adjustments of the financial perspective for 2005 in line with movements in prices and gross national income <sup>(4)</sup>. The purpose of this exercise is to convert the figures to 2005 prices.

1019. *External action.* On 18 December Parliament adopted a resolution on future budget requirements for external action <sup>(5)</sup>. It takes the view that the enlarged Union's new external frontiers entailing new neighbourhood relations and changes in the foreign and security policy will require additional financial capacity.

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<sup>(1)</sup> Bull. 3-2003, point 1.7.1.

<sup>(2)</sup> OJ C 172, 18.6.1999; 1999 General Report, point 921.

<sup>(3)</sup> Bull. 12-2002, point I.16; 2002 General Report, point 711.

<sup>(4)</sup> COM(2003) 785; Bull. 12-2003, point 1.7.1.

<sup>(5)</sup> Bull. 12-2003, point 1.7.2.

**Table 19**

<b>Financial perspective (EU-25) adjusted for enlargement, at 2004 prices <sup>(1)</sup></b> <i>(million EUR)</i>							
<b>Commitment appropriations</b>	<b>Current prices</b>					<b>2004 prices</b>	
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
1. Agriculture	41 738	44 530	46 587	47 378	49 305	51 439	51 587
1a — CAP	37 352	40 035	41 992	42 680	42 769	44 598	44 610
1b — Rural development	4 386	4 495	4 595	4 698	6 536	6 841	6 977
2. Structural operations	32 678	32 720	33 638	33 968	41 035	42 441	43 701
— Structural Funds	30 019	30 005	30 849	31 129	35 353	37 247	37 768
— Cohesion Fund	2 659	2 715	2 789	2 839	5 682	5 194	5 933
3. Internal policies	6 031	6 272	6 558	6 796	8 722	9 012	9 138
4. External action	4 627	4 735	4 873	4 972	5 082	5 119	5 130
5. Administration <sup>(2)</sup>	4 638	4 776	5 012	5 211	5 983	6 185	6 356
6. Reserves	906	916	676	434	442	446	446
— Monetary reserve	500	500	250	0	0	0	0
— Emergency aid reserve	203	208	213	217	221	223	223
— Loan guarantee reserve	203	208	213	217	221	223	223
7. Pre-accession strategy	3 174	3 240	3 328	3 386	3 455	3 472	3 472
— Agriculture	529	540	555	564	—	—	—
— Pre-accession structural instruments	1 058	1 080	1 109	1 129	—	—	—
— Phare (candidate countries)	1 587	1 620	1 664	1 693	—	—	—
8. Compensation					1 410	1 305	1 046
<b>Total commitment appropriations</b>	<b>93 792</b>	<b>97 189</b>	<b>100 67</b>	<b>102 14</b>	<b>115 43</b>	<b>119 41</b>	<b>120 87</b>
<b>Total payment appropriations</b>	<b>91 322</b>	<b>94 730</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>9</b>	<b>6</b>
<b>Ceiling on payment appropriations as % of GNI (ESA 95)</b>	<b>1.07</b>	<b>1.08</b>	<b>100 07</b>	<b>102 76</b>	<b>111 38</b>	<b>114 06</b>	<b>116 55</b>
<b>Margin for unforeseen expenditure (as % of GNI)</b>	<b>0.17</b>	<b>0.16</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>Own resources ceiling (as % of GNI)</b>	<b>1.24</b>	<b>1.24</b>	<b>1.11</b>	<b>1.09</b>	<b>1.08</b>	<b>1.09</b>	<b>1.08</b>
			<b>0.13</b>	<b>0.15</b>	<b>0.16</b>	<b>0.15</b>	<b>0.16</b>
			<b>1.24</b>	<b>1.24</b>	<b>1.24</b>	<b>1.24</b>	<b>1.24</b>

<sup>(1)</sup> Excluding the budgetary implications of any political settlement in Cyprus.

<sup>(2)</sup> The expenditure on pensions included under the ceilings for this heading is calculated net of staff contributions to the relevant scheme, within the limit of EUR 1 100 million at 1999 prices for the period 2000–06.

### Section 3

## Budgets <sup>(1)</sup>

### General budget

1020. *Reform of budgetary procedures.* In a resolution adopted on 11 March, Parliament advocated a reform of budgetary procedures, expressing the view that the principles governing such provisions should be clearly enshrined in the new Constitutional Treaty being prepared. Parliament maintained that the distinction between compulsory and non-compulsory expenditure was inappropriate and argued that all budgetary acts should be adopted on a co-decision basis, although certain details would have to be adapted, for example in order to clear the way for a decision in the event of disagreement between Parliament and the Council <sup>(2)</sup> In another resolution adopted on 20 November, Parliament gave its support to the budget provisions in the draft Constitutional Treaty <sup>(3)</sup>.

### Financial perspective

1021. The revision of the financial perspective, particularly in connection with the process of enlarging the European Union, is dealt with in Section 2 ('Financial perspective') of this chapter (→ point 1017).

### Budgetary procedure for 2004

#### 2004 budget

1022. *Budget guidelines.* In conclusions adopted on 7 March, the Council underlined the two major challenges that would mark the budgetary procedure for 2004 <sup>(4)</sup>: the 2004 budget would be the first one adopted in accordance with the provisions of the new financial regulation <sup>(5)</sup>, which stipulates the use of activity-based budgeting; it would also be the first budget to take full account of the forthcoming enlargement in the course of The Council stressed the importance of keeping a tight grip on payment appropriations for 2004. On 11 March Parliament adopted a resolution on the 2004 budget guidelines, in which it invited all the institutions to present their estimates in a more transparent manner, in order to cope with the material requirements of enlargement, such as building needs <sup>(6)</sup>. Parliament itself presented its estimates on 14 May <sup>(7)</sup>. In another resolution adopted on 11 March, Parliament stressed the contribution which the 2004 budget should make to the

<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/budget/index\\_en.htm](http://europa.eu.int/comm/budget/index_en.htm)).

<sup>(2)</sup> Bull. 3-2003, point 1.7.2.

<sup>(3)</sup> Bull. 11-2003, point 1.7.1.

<sup>(4)</sup> Bull. 3-2003, point 1.7.3.

<sup>(5)</sup> Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002; 2002 General Report, point 1048).

<sup>(6)</sup> Bull. 3-2003, point 1.7.4.

<sup>(7)</sup> Bull. 5-2003, point 1.7.3.

political aim of uniting Europe, in particular by helping to meet the challenge of integrating 10 new Member States into all Community policies <sup>(1)</sup>.

**1023. Preliminary draft budget (PDB).** The preliminary draft budget was approved by the Commission on 30 April <sup>(2)</sup>. To allow for the enlargement of the Union to include 10 new Member States on 1 May 2004, the PDB contained forecasts both for the present 15 Member States (EU-15) and for the enlarged 25-nation Union (EU-25). The EU-15 budget would apply from 1 January 2004, while the EU-25 budget would be adopted by means of an amending budget and would enter into force on 1 May 2004. Appropriations for commitments came to EUR 112.2 billion for the enlarged Union, of which EUR 11.8 billion was for the new Member States, representing an increase of 12.6 % on 2003 (+ 0.7 % for EU-15); the total amount left a margin of EUR 3.4 billion beneath the ceiling for 2004 in the 2000–06 financial perspective (Table 19). Appropriations for payments came to EUR 100.7 billion, of which EUR 5.1 billion was for the new Member States (an increase of 3.3 % on 2003 for EU-15); the total appropriations for payments were well below — by EUR 10.9 billion — the ceiling agreed for 2004 in the financial perspective and represented 0.99 % of the gross national income of EU-25, well under the Community ceiling of 1.24 % and even below the corresponding percentage in the 2003 budget (1.03 % of the GNI of EU-15). This was the first time that the Commission proposal and the budgetary procedure were based entirely on the activity-based budgeting (ABB) method in accordance with Article 41 of the new financial regulation (→ point 1022). Specific volumes and annexes were provided to facilitate the changeover from the traditional nomenclature to ABB.

The broad lines of the proposed preliminary draft, by financial perspective heading, were as follows:

- Agriculture: total requirements for EU-15 came to EUR 45.8 billion, of which EUR 4.8 billion was for rural development (2.2 % up on 2003). The new Member States were allocated EUR 2 billion, of which EUR 1.7 billion was for rural development. The increases in the preliminary draft for EU-15 were due in particular to expenditure on arable crops, on the one hand because of the situation on the cereals market and on the other because 2003 was an exceptional year, payments having been brought forward the previous year because of the floods <sup>(3)</sup>.
- The volume of commitment appropriations for the Structural Funds showed an increase of 20.8 % for the enlarged Union compared with 2003. EUR 6.7 billion was planned for the new Member States in accordance with the Copenhagen decisions <sup>(4)</sup>. Payment appropriations for the Structural Funds came to EUR 30.68 billion for the enlarged Union (including EUR 1.76 billion for the new Member States), 7.5 % less than in the 2003 budget, which had to finance the closure of the pre-2000 programmes.

<sup>(1)</sup> Bull. 3-2003, point 1.7.5.

<sup>(2)</sup> Bull. 4-2003, point 1.7.3.

<sup>(3)</sup> 2002 General Report, point 1038.

<sup>(4)</sup> Bull. 12-2002, point I.16; 2002 General Report, point 711.

- The budget estimates for internal policies were influenced by the three policy priorities: enlargement, stability and sustainable growth. Total commitment appropriations were put at EUR 8.63 billion, with payment appropriations at EUR 7.5 billion, an increase of 21 %. EUR 938 million was planned for the inclusion of the new Member States in existing Community programmes. Most of these programmes had already been extended to the acceding countries in recent years with budget contributions on their part. The aid programme for application of the Schengen *acquis*, which was adopted for the new Member States in Copenhagen <sup>(1)</sup>, was completely new and provided for EUR 317 million. EUR 221 million was made available for the strengthening of administrative structures in the new Member States in areas such as justice and EUR 138 million for the closure of nuclear reactors in Lithuania and Slovakia. The preliminary draft for 2004 also contained exceptionally large increases for measures to achieve an area of security (including health and consumer protection, food safety, transport and personal safety, the security of financial transactions and telecommunications), freedom and justice, resulting in increases of 248 % for justice and home affairs (including the Schengen facility), 33 % for transport and energy, and 24 % for health and consumer protection. EUR 4.8 billion in commitment appropriations was available for expenditure on research, reflecting the fact that the Lisbon objectives would continue to be a high priority in the enlarged Union.
- The Commission planned to make financial commitments of almost EUR 5 billion for foreign policy measures in 2004, an increase of 3.9 % on 2003. Resources would have to be 14 % higher for the Mediterranean and 6 % higher for eastern Europe and central Asia. After the years of reconstruction in the Balkans the level of aid was to stabilise at EUR 610 million. The appropriations for Asia were also considerably increased to continue support for the reconstruction of Afghanistan (EUR 184 million). Another priority connected with stability was cooperation with third countries in the field of migration, and humanitarian aid was to be increased by 11 %. Assistance in the field of sustainable growth in 2004 would be concentrated on the environment and health programmes, which had already been boosted in 2003. The Commission also proposed that the resources for the common foreign and security policy be increased to EUR 51 million in commitment appropriations, stressing in particular the role of the European Union Police Mission in Bosnia and Herzegovina. The reform of the administration of programmes in the field of external policy was to continue, with more of the programmes being implemented by Commission delegations. The pre-accession strategy now embraced Bulgaria, Romania and Turkey, and the aid granted to these three countries was to be stepped up considerably from 2004. The commitment appropriations in this category would be cut by half in 2004 because of the accession of eight countries currently receiving assistance from the programmes under this heading, but payments would remain at a similar level (+ 3.3 %), as existing programmes would have to be completed.

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(1) Bull. 12-2002, point I.16; 2002 General Report, point 711.

- The estimated administrative expenditure of the institutions of the European Union came to EUR 6.11 billion, 14 % more than in 2003. The increase covered expenditure on the new Members of the Commission, additional posts for the publication of legislation in the nine new official languages and various items of administrative expenditure which would rise as a result of enlargement. With the introduction of activity-based budgeting, most administrative expenditure was now included in the relevant policy area and only specific expenditure such as publications or representation offices was now recorded separately. For its human resources, the Commission requested 780 new posts for enlargement in 2004, in addition to the 500 temporary posts already approved in 2003.

1024. *Draft budget.* The draft 2004 budget established by the Council at first reading on 18 July, on the basis of 15 Member States, came to EUR 100.066 billion in appropriations for commitments and EUR 95.034 billion in appropriations for payments <sup>(1)</sup>. Compared with the 2003 budget, these figures represented an overall increase of 0.4 % in appropriations for commitments and a reduction of 2.5 % in appropriations for payments. As a result, the total amount of payment appropriations was equivalent to 0.98 % of Community GNI. The Council made a number of cuts to the preliminary draft, as shown in Table 20.

**Table 20**

<b>Amendments made by the Council at first reading</b>			<i>(million EUR)</i>
<b>Heading of financial perspective</b>	<b>Appropriations for commitments</b>	<b>Appropriations for payments</b>	
1a	- 160.000	- 160.000	
1b	0.000	0.000	
2	0.000	- 160.000	
3	- 30.823	- 21.357	
4	- 59.000	- 27.900	
5	- 57.777	- 57.777	
7	0.000	- 100.000	
<b>Total</b>	<b>- 307.600</b>	<b>- 527.034</b>	

The main features of the draft budget were as follows:

- Agricultural expenditure: the Council applied an across-the-board reduction of EUR 160 million in the appropriations requested in the preliminary draft for market expenditure where the sum of appropriations was greater than EUR 1 billion, in line with the approach of controlled growth of appropriations for payments. The Council accepted the Commission's preliminary draft as regards appropriations for rural development (Subheading 1b).
- Structural operations: the Council accepted the preliminary draft as regards appropriations for commitments and made an across-the-board reduction of EUR 138 million in the appropriations for payments on the budget lines concerning Community initiatives.

<sup>(1)</sup> Bull. 7/8-2003, point 1.7.1.

The Council did not accept the EUR 22 million in payment appropriations for the scrapping of vessels as the corresponding commitment appropriations had been rejected in amending budget No 1/2003 (→ point 1036).

- **Internal policies:** the Council accepted the amounts proposed for multiannual programmes under the co-decision procedure for the current 15 Member States, while stating that the appropriations included in the preliminary draft for EU-25 were provisional, pending agreement on the new reference amounts following adaptation and revision of the financial perspective. It also decided to limit the appropriations for some budget lines not based on multiannual programmes and to reduce appropriations for subsidies for certain agencies, while taking account of the special situation of agencies that were new or starting up. The Council also decided to increase appropriations for the management of external frontiers (ARGO programme) to take account of the conclusions of the Thessaloniki European Council (→ point 501).
- **External action:** The Council decided to reduce appropriations in a limited number of non-geographical budget lines and in geographical budget lines other than those relating to the Balkans, for which it accepted the amount entered in the preliminary draft. It also accepted the amount in the preliminary draft for the CFSP budget, accompanied by two transfers of appropriations, bringing the final amount proposed for the CFSP budget to EUR 52.6 million.
- **Pre-accession strategy:** the Council decided to accept the preliminary draft as regards appropriations for commitments and to reduce the appropriations for payments requested in the preliminary draft by EUR 100 million.
- **Administrative expenditure and staffing:** the Council cut the preliminary draft, after receiving the estimates of all the institutions, by EUR 57.8 million, of which EUR 34 million was in the Commission section; the 780 new posts requested by the Commission for the new tasks flowing from enlargement were reduced to 538; in all, including the other institutions, 1 711 posts were created.
- **Revenue:** the Council accepted the preliminary draft, subject to the technical adjustments arising from the changes made to expenditure and the staff complement in the draft budget.

**1025. Use of the flexibility instrument.** On 1 October <sup>(1)</sup> the Commission proposed that the flexibility instrument provided for in the interinstitutional agreement of 6 May 1999 <sup>(2)</sup> be used to mobilise EUR 73.951 million to finance the Community's contribution to the rehabilitation and reconstruction of Iraq. At the conciliation meeting on 24 November <sup>(3)</sup> Parliament and the Council decided to raise this amount to EUR 95 million, as part of the overall agreement on the second reading of the budget. This agreement was confirmed in December <sup>(4)</sup>.

<sup>(1)</sup> COM(2003) 576; Bull. 10-2003, point 1.7.8.

<sup>(2)</sup> OJ C 172, 18.6.1999; 1999 General Report, point 921.

<sup>(3)</sup> Bull. 11-2003, point 1.7.2.

<sup>(4)</sup> Bull. 12-2003, point 1.7.3.

1026. *Letter of amendment No 1/2004.* Established by the Commission on 1 October, this letter of amendment covered five points: the creation of a new article for the Community contribution to the rehabilitation and reconstruction of Iraq; the creation of a new article to facilitate the implementation in 2004 of the non-differentiated appropriations contracted in 2003 and carried over automatically to 2004; the adjustment of two headings concerning the guarantee provided by the Community to the European Investment Bank for loans; the addition or modification of budget remarks to a number of budget lines covering tasks resulting from the Commission's prerogatives at institutional level; and the adjustment of the Commission's establishment plan for research and technological development <sup>(1)</sup>. The additional amount proposed (in commitment appropriations) for the rehabilitation and reconstruction of Iraq was EUR 16 million and went towards an overall contribution of EUR 200 million over the period 2003–04 announced by the Commission at the Madrid conference on 24 October. The Council adopted letter of amendment No 1/2004 on 24 November, at the same time as it gave the 2004 budget its second reading.

1027. *Letter of amendment No 2/2004.* On 29 October the Commission established the ad hoc letter of amendment provided for by the interinstitutional agreement of 6 May 1999 to update the estimates for agricultural expenditure and international fisheries agreements <sup>(2)</sup>. The overall impact of this letter of amendment was to reduce agricultural expenditure by EUR 1 billion, mainly because of the drought in summer 2003, which caused a spectacular drop in the volume of cereal harvests and hence in cereals' exports. This letter of amendment also provided for three new measures for studying quality systems for food products, insurance schemes for livestock epidemics and environmental indicators, as requested by Parliament at first reading. For the fisheries agreements some EUR 3 million was transferred from the reserve to the relevant line in order to cover agreements renewed or extended in 2003. The Council adopted letter of amendment No 2/2004 on 24 November, at the same time as it gave the 2004 budget its second reading.

1028. *Letter of amendment No 3/2004.* On 12 November the Commission established a third letter of amendment to the 2004 PDB to create a new revenue line for each institution to accommodate the new special levy on staff salaries which was introduced as part of the Commission reform <sup>(3)</sup>. The Council adopted letter of amendment No 3/2004 on 24 November, at the same time as it gave the 2004 budget its second reading.

1029. *Parliament's first reading.* At first reading on 23 October <sup>(2)</sup> Parliament adopted a budget of EUR 100.49 billion for commitments and EUR 97.87 billion for payments. These new amounts represented increases of 0.80 % for commitments and 0.38 % for payments in relation to the 2003 budget. The payment appropriations, which Parliament increased by EUR 2.84 billion (EU-15) and EUR 3.44 billion (EU-25) in relation to the Council's draft budget, represent 1.02 % and 1.01 % respectively of the GNI of EU-25 and EU-15.

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<sup>(1)</sup> SEC(2003) 1058; Bull. 10-2003, point 1.7.2.

<sup>(2)</sup> Bull. 10-2003, point 1.7.2.

<sup>(3)</sup> Bull. 11-2003, point 1.7.2.

Parliament's additions to the Council draft are set out in Table 21.

**Table 21**

<b>Parliament's first reading</b>			<i>(billion EUR)</i>
<b>Heading of financial perspective</b>	<b>Appropriations for commitments</b>	<b>Appropriations for payments</b>	
1a	41.000	41.000	
1b	4.803	4.803	
2	34.326	30.210	
3	7.041	6.966	
4	5.076	5.184	
5	6.070	6.070	
6	0.442	0.442	
7	1.732	3.196	
<b>Total</b>	<b>100.490</b>	<b>97.871</b>	

Parliament's position, heading by heading, can be summarised as follows:

- on agricultural expenditure, Parliament underlined the improvement in quality in agriculture and the establishment of an integrated supply chain for agricultural products and adopted an amendment designed to take account of the situation of young farmers;
- Parliament wanted to boost the payment appropriations for structural measures in order to better reflect the Member States' forecasts and to take account of the volume of outstanding commitments;
- internal policies received special attention, the particular focus being on small businesses. Parliament also entered in reserve 10 % of the operational appropriations of the decentralised agencies pending a close appraisal of their work programmes by the Committee on Budgets. Parliament restored the amounts entered in the PDB for research and allocated EUR 31 million for cancer research and EUR 4 million for a research initiative by Member States in this area. It was also decided to place 50 % of the Statistical Office's (Eurostat) administrative expenditure in reserve;
- on external policies, Parliament wanted to devote EUR 200 million to the reconstruction of Iraq, and was waiting for a decision on the mobilisation of the flexibility instrument. It also decided to enter 5 % of appropriations in reserve for the major geographical programmes and for co-financing NGOs. Parliament also reduced the CFSP appropriations to the level of the 2003 budget pending additional information from the Council and an undertaking by the Council to provide it with more information on the CFSP in 2004;
- on administrative expenditure, Parliament restored the 272 new Commission posts for the new Member States, but entered the administrative expenditure in reserve until a number of conditions were met before the second reading.

**1030.** *Council's second reading.* The Council gave the draft 2004 budget its second reading on 24 November <sup>(1)</sup> after a conciliation meeting with a Parliament delegation in

<sup>(1)</sup> Bull. 11-2003, point 1.7.2.

accordance with the interinstitutional agreement of 6 May 1999. The second reading, based on 15 Member States and incorporating letters of amendment Nos 1, 2 and 3, produced a total of EUR 99 352 million for commitments and EUR 94 311 million for payments. Compared with the 2003 budget, these figures represented cuts of 0.44 % for commitments and 3.27 % for payments. Total payment appropriations represent 0.97 % of EU gross national income (GNI). The figures agreed for the enlarged European Union (EU-25) were EUR 111 098 million for commitments (11.33 % up on 2003) and EUR 99 307 million for payments (1.85 % up on 2003, including amending budgets Nos 1 to 5, this figure representing 0.98 % of the EU's GNI).

The amounts the Council entered for each heading of the financial perspective are set out in Table 22.

**Table 22**

<b>Council's second reading</b>			<i>(billion EUR)</i>
<b>Heading of financial perspective</b>	<b>Appropriations for commitments</b>	<b>Appropriations for payments</b>	
1a	39.958	39.958	
1b	4.803	4.803	
2	34.326	28.762	
3	6.979	6.558	
4	5.072	4.892	
5	6.039	6.039	
6	0.442	0.442	
7	1.732	2.856	
<b>Total</b>	<b>99.352</b>	<b>94.311</b>	

The broad lines of the changes made by the Council are as follows:

- for Heading 1 (agriculture and rural development) the Council approved the updated estimates presented in letter of amendment No 2/2004 and restored the PDB amounts for the lines in Subheading 1a, which were not affected by the letter of amendment;
- for Heading 2 (structural operations) and Heading 7 (pre-accession aid) the Council confirmed its first reading;
- for Heading 3 (internal policies) the Council accepted some of the amendments proposed by Parliament that were of a technical nature and certain pilot projects, in particular the one for victims of acts of terrorism;
- for Heading 4 (external action) the Council accepted letter of amendment No 1/2004, with an additional EUR 160 million for the reconstruction of Iraq. It also increased the CFSP budget by EUR 10 million and made cuts on other lines totalling EUR 34 million in relation to its first reading in order to remain below the financial perspective ceiling without having to make use of the flexibility instrument;

- for Heading 5 (administrative expenditure) the Council confirmed its first reading, except for Section I (Parliament), where the amendments proposed by Parliament were accepted by joint agreement, and Section III (Commission), where 150 new posts were accepted (out of the 272 rejected at first reading), and certain technical changes were also accepted.

During the conciliation meeting the Council and Parliament agreed that the overall increase in payment appropriations over the 2003 budget, including amending budgets Nos 1 to 5, should be no more than 2.3 %. They approved letters of amendment Nos 1 to 3 and the use of the flexibility instrument for a total of EUR 95 million for the reconstruction of Iraq. They called on the Commission to propose reallocating EUR 5 to 10 million in 2003 so that a corresponding reduction could be made in the 2004 budget. For the CFSP they agreed on a budget of EUR 62.6 million.

1031. *Parliament's second reading.* The 2004 budget was adopted on 18 December after Parliament's second reading <sup>(1)</sup>. Adopted on an EU-15 basis, it totals EUR 99.528 billion for commitments and EUR 94.618 billion for payments. Compared with 2003, commitment appropriations are down by 0.3 %, payment appropriations up by 2.3 %. This leaves a substantial margin of EUR 7.655 billion for payments and EUR 4.492 billion for commitments. The 2004 payments budget represents 0.98 % of Member States' GNI, the authorised ceiling being 1.06 %. This makes the 2004 budget the smallest initial budget since 1990. The Commission will present an amending budget early in 2004 in order to adjust the budget to enlargement at 1 May 2004 and raise the totals to EUR 111.3 billion for commitments and EUR 99.72 billion for payments and so to take account of the agreement on the amounts for the 25-member Union reached at the conciliation meeting between the Council and Parliament on 24 November.

- The appropriations for agricultural expenditure remain at the same level as in 2003, totalling EUR 44.761 billion, leaving a substantial margin beneath the ceiling. The amount for rural development in 2004 is the maximum authorised.
- Expenditure for structural operations totals EUR 34.326 billion, the ceiling imposed by the financial perspective. The 2004 budget carries EUR 28.962 billion in payment appropriations for structural operations, an increase of 2.8 % on the 2003 budget, allowing for the EUR 5 billion remaining from amending budget No 6/2003. A new amending budget could be presented in the course of the year should additional appropriations be required. Within the allocation for structural operations the Cohesion Fund is given EUR 2.785 billion for commitments and EUR 2.642 billion for payments.
- For internal policies the 2004 budget carries EUR 7.051 billion for commitments and EUR 6.606 billion for payments, increases of 2.3 % and 6.6 % respectively on 2003. An amount of EUR 2.141 billion remains below the financial perspective ceiling. Priority goes to the following areas: fight against fraud (+ 38 %), justice and home affairs (+ 18 %), transport (+ 10 %), research framework programme (+ 6 %) and

(1) Bull. 12-2003, point 1.7.3.

energy (+ 6 %). Parliament also inserted new lines for pilot projects and preparatory measures for small businesses and for support to victims of terrorism.

- The commitment appropriations for external action total EUR 5.177 billion and the payment appropriations EUR 4.497 billion. The commitment appropriations exceed the ceiling by EUR 95 million, Parliament and the Council having agreed to mobilise the flexibility instrument for this amount to cover the reconstruction of Iraq, one of the budget priorities under this heading. A total of EUR 160 million will be available, on top of the EUR 40 million from 2003. The CFSP appropriations increase by 32 % (EUR 15 million), in particular to launch the new Police Mission in the Former Yugoslav Republic of Macedonia. The other traditional priorities demanded by Parliament are all respected.
- The commitment appropriations for pre-accession aid drop considerably (– 51 %), as a result of the accession of the 10 future Member States. EUR 1.732 billion is earmarked for preparing Bulgaria and Romania for the process, and EUR 250 million is allocated for Turkey.
- A margin of EUR 117 million is left for administrative expenditure with an amount of EUR 6.040 billion (+ 12.2 % up on 2003). This will enable the Union to meet the needs of enlargement by recruiting officials from the new Member States. A reserve is left for 25 posts, which will depend on information to be provided later on the reform and the implementation of pilot projects and preparatory measures.

1032. Table 23 gives a breakdown, by heading of the financial perspective, of the amounts entered at the various stages of the 2004 budget procedure.

1033. *The revenue* (see Table 26) required to finance the budget for 2004 represents 0.98 % of GNI. The uniform call-in rate for the VAT resource is 0.3030 % and the rate for the GNI resource is 0.7168 %. Traditional own resources (agricultural duties, sugar and isoglucose levies, and customs duties) represent 11.68 % of budget financing for 2004, the VAT resource 14.08 % and the fourth (GNI-based) resource 73.39 % (compared with 11.79 %, 23.50 % and 55.51 % respectively for the 2003 budget). Miscellaneous revenue of EUR 805.66 million is also projected.

## Own resources

1034. On 11 June the Commission adopted its fourth three-yearly report on the operation of the inspection arrangements for traditional own resources, covering the period 2000–02 <sup>(1)</sup>. On 1 July it proposed updating the own resources rules in relation to Council Decision 2000/597/EC, Euratom <sup>(2)</sup> and certain protocols annexed to the Amsterdam Treaty so as to improve the management of traditional own resources, which are recovered by the Member States (Table II).

<sup>(1)</sup> COM(2003) 345; Bull. 6-2003, point 1.7.4. Previous report: COM(2001) 32; 2001 General Report, point 1149.

<sup>(2)</sup> OJ L 253, 7.10.2000; 2000 General Report, point 1052.

Table 23

## 2004 budget (appropriations for commitments)

Heading	Appropriations entered in 2003 budget <sup>(1)</sup>	Financial perspective	Preliminary draft budget 2004 <sup>(2)</sup>	Difference (4)/(1)	Council (first reading) <sup>(2)</sup>	Difference (5)/(1)
	(1)	(2)	(3)	(4)	(5)	(6)
				%		%
<i>Appropriations for commitments</i>						
<b>1. Agriculture</b>	<b>44 780 450 000</b>	<b>47 211 000 000</b>	<b>44 761 410 000</b>	<b>0.0</b>	<b>44 744 920 000</b>	<b>- 0.1</b>
Margin	2 597 550 000		2 449 590 000		2 466 080 000	
Agricultural expenditure (excluding rural development)	40 082 450 000	42 408 000 000	39 958 410 000	-0.3	39 941 920 000	-0.4
Rural development and accompanying measures	4 698 000 000	4 803 000 000	4 803 000 000	2.2	4 803 000 000	2.2
<b>2. Structural operations</b>	<b>33 980 008 240</b>	<b>34 326 000 000</b>	<b>34 326 000 000</b>	<b>1.0</b>	<b>34 326 000 000</b>	<b>1.0</b>
Margin	- 12 008 240		0		0	
Structural Funds	31 141 008 240	31 541 000 000	31 541 000 000	1.3	31 541 000 000	1.3
Cohesion Fund	2 839 000 000	2 785 000 000	2 785 000 000	-1.9	2 785 000 000	-1.9
<b>3. Internal policies</b>	<b>6 894 090 000</b>	<b>7 053 000 000</b>	<b>7 006 039 219</b>	<b>1.6</b>	<b>6 975 216 219</b>	<b>1.2</b>
Margin	- 98 090 000		46 960 781		77 783 781	
<b>4. External action</b>	<b>4 806 862 000</b>	<b>5 082 000 000</b>	<b>5 155 951 000</b>	<b>7.3</b>	<b>5 096 051 000</b>	<b>6.0</b>
Margin	165 138 000		- 73 951 000		- 14 051 000	
<b>5. Administration</b>	<b>5 381 971 098</b>	<b>6 157 000 000</b>	<b>6 086 321 994</b>	<b>13.1</b>	<b>6 028 544 569</b>	<b>12.0</b>
Margin	28 902		70 678 006		128 455 431	
<b>6. Reserves</b>	<b>434 000 000</b>	<b>442 000 000</b>	<b>442 000 000</b>	<b>1.8</b>	<b>442 000 000</b>	<b>1.8</b>
Margin	0		0		0	
Loan guarantee reserve	217 000 000	221 000 000	221 000 000	1.8	221 000 000	1.8
Emergency aid reserve	217 000 000	221 000 000	221 000 000	1.8	221 000 000	1.8
<b>7. Pre-accession aid</b>	<b>3 535 000 000</b>	<b>3 455 000 000</b>	<b>1 732 300 000</b>	<b>-51.0</b>	<b>1 732 300 000</b>	<b>-51.0</b>
Margin	- 149 000 000		1 722 700 000		1 722 700 000	
Agriculture	564 000 000	576 000 000	226 700 000	-59.8	226 700 000	-59.8
ISPA	1 129 000 000	1 152 000 000	453 300 000	-59.8	453 300 000	-59.8
Phare (candidate countries)	1 693 000 000	1 727 000 000	809 700 000	-52.2	809 700 000	-52.2
Turkey	149 000 000		242 600 000	62.8	242 600 000	62.8
European Union Solidarity Fund	p.m.		p.m.		p.m.	
Performance facility reserve						
<b>Total appropriations for commitments</b>	<b>99 812 381 338</b>	<b>103 726 000 000</b>	<b>99 510 022 213</b>	<b>-0.3</b>	<b>99 345 031 788</b>	<b>-0.5</b>
Margin	2 503 618 662		4 215 977 787		4 380 968 212	
Compulsory expenditure	41 504 890 321		41 477 079 155	-0.1	41 457 089 155	-0.1
Non-compulsory expenditure	58 307 491 017		58 032 943 058	-0.5	57 887 942 633	-0.7
<i>Payment appropriations</i>						
<b>Total appropriations for payment</b>	<b>92 524 837 098</b>	<b>102 274 000 000</b>	<b>94 664 477 238</b>	<b>2.3</b>	<b>94 280 952 813</b>	<b>1.9</b>
Margin	10 413 162 902		7 609 522 762		7 993 047 187	
Compulsory expenditure	41 582 214 321		41 525 413 793	-0.1	41 511 423 793	-0.2
Non-compulsory expenditure	50 942 622 777		53 139 063 445	4.3	52 769 529 020	3.6
<b>Appropriations for payments as % of GNI</b>	<b>0.98</b>	<b>1.06</b>	<b>0.98</b>		<b>0.97</b>	

(<sup>1</sup>) Including all amending budgets.

(<sup>2</sup>) Including letters of amendment Nos 1/2004 to 3/2004.

NB: p.m. = token entry (*pour mémoire*).

(EUR)									
Parliament (first reading) ( <sup>2</sup> )	Difference (7)/(1)	Council (second reading) ( <sup>2</sup> )	Difference (9)/(1)	Parliament (second reading) ( <sup>2</sup> )	Difference (11)/(1)	Difference (11) — (3)	Difference (11) — (5)	Difference (11) — (7)	Difference (11) — (9)
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	%		%		%				
<b>44 779 569 333</b>	<b>0.0</b>	<b>44 761 410 000</b>	<b>0.0</b>	<b>44 761 410 000</b>	<b>0.0</b>	<b>0</b>	<b>16 490 000</b>	<b>- 18 159 333</b>	<b>0</b>
2 431 430 667		2 449 590 000		2 449 590 000					
39 976 569 333	-0.3	39 958 410 000	-0.3	39 958 410 000	-0.3	0	16 490 000	- 18 159 333	0
4 803 000 000	2.2	4 803 000 000	2.2	4 803 000 000	2.2	0	0	0	0
<b>34 326 000 000</b>	<b>1.0</b>	<b>34 326 000 000</b>	<b>1.0</b>	<b>34 326 000 000</b>	<b>1.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0		0		0					
31 541 000 000	1.3	31 541 000 000	1.3	31 541 000 000	1.3	0	0	0	0
2 785 000 000	-1.9	2 785 000 000	-1.9	2 785 000 000	-1.9	0	0	0	0
<b>7 040 216 894</b>	<b>2.1</b>	<b>6 978 591 219</b>	<b>1.2</b>	<b>7 050 858 751</b>	<b>2.3</b>	<b>44 819 532</b>	<b>75 642 532</b>	<b>10 641 857</b>	<b>72 267 532</b>
12 783 106		74 408 781		2 141 249					
<b>5 217 510 321</b>	<b>8.5</b>	<b>5 072 051 000</b>	<b>5.5</b>	<b>5 176 551 000</b>	<b>7.7</b>	<b>20 600 000</b>	<b>80 500 000</b>	<b>- 40 959 321</b>	<b>104 500 000</b>
- 135 510 321		9 949 000		- 94 551 000					
<b>6 070 181 071</b>	<b>12.8</b>	<b>6 039 344 569</b>	<b>12.2</b>	<b>6 039 768 114</b>	<b>12.2</b>	<b>- 46 553 880</b>	<b>11 223 545</b>	<b>- 30 412 957</b>	<b>423 545</b>
86 818 929		117 655 431		117 231 886					
<b>442 000 000</b>	<b>1.8</b>	<b>442 000 000</b>	<b>1.8</b>	<b>442 000 000</b>	<b>1.8</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
0		0		0					
221 000 000	1.8	221 000 000	1.8	221 000 000	1.8	0	0	0	0
221 000 000	1.8	221 000 000	1.8	221 000 000	1.8	0	0	0	0
<b>1 732 300 000</b>	<b>- 51.0</b>	<b>1 732 300 000</b>	<b>- 51.0</b>	<b>1 732 300 000</b>	<b>- 51.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 722 700 000		1 722 700 000		1 722 700 000					
226 550 000	-59.8	226 700 000	-59.8	226 700 000	-59.8	0	0	150 000	0
453 090 000	-59.8	453 300 000	-59.8	453 300 000	-59.8	0	0	210 000	0
805 790 000	-52.4	809 700 000	-52.2	809 700 000	-52.2	0	0	3 910 000	0
241 900 000	62.3	242 600 000	62.8	242 600 000	62.8	0	0	700 000	0
p.m.		p.m.		p.m.		0	0	0	0
4 970 000				0		0	0	- 4 970 000	0
<b>99 607 777 619</b>	<b>- 0.2</b>	<b>99 351 696 788</b>	<b>- 0.5</b>	<b>99 528 887 865</b>	<b>- 0.3</b>	<b>18 865 652</b>	<b>183 856 077</b>	<b>- 78 889 754</b>	<b>177 191 077</b>
4 118 222 381		4 374 303 212		4 197 112 135					
41 503 132 329	0.0	41 473 579 155	-0.1	41 474 399 675	-0.1	- 2 679 480	17 310 520	- 28 732 654	820 520
58 104 645 290	-0.3	57 878 117 633	-0.7	58 054 488 190	-0.4	21 545 132	166 545 557	- 50 157 100	176 370 557
<b>96 957 163 045</b>	<b>4.8</b>	<b>94 311 117 813</b>	<b>1.9</b>	<b>94 618 747 943</b>	<b>2.3</b>	<b>- 45 729 295</b>	<b>337 795 130</b>	<b>- 2 338 415 102</b>	<b>307 630 130</b>
5 316 836 955		7 962 882 187		7 655 252 057					
41 557 466 967	-0.1	41 527 913 793	-0.1	41 528 734 313	-0.1	3 320 520	17 310 520	- 28 732 654	820 520
55 399 696 078	8.7	52 783 204 020	3.6	53 090 013 630	4.2	- 49 049 815	320 484 610	- 2 309 682 448	306 809 610
<b>1.00</b>		<b>0.97</b>		<b>0.98</b>					

## Implementation of the 2003 budget <sup>(1)</sup>

1035. *Implementation.* On 3 July Parliament adopted a resolution on the implementation profile of the 2003 budget <sup>(2)</sup>.

## Amending budgets 2003

1036. *Amending budget No 1/2003.* The Commission adopted the preliminary draft on 31 March <sup>(3)</sup>, and the Council established the draft on 16 June <sup>(4)</sup>; Parliament then adopted the amending budget on 1 July <sup>(5)</sup>. Its purpose was to cover the participation of around a hundred representatives from the future Member States in three plenary sessions of the Committee of the Regions in 2003.

1037. *Amending budget No 2/2003.* The Commission adopted the preliminary draft on 13 May <sup>(6)</sup>, and the Council established the draft on 16 June <sup>(7)</sup>. Its purpose was to enter the surplus of EUR 6.4 billion from the 2002 financial year. Parliament adopted the amending budget on 3 September <sup>(8)</sup>. It had been presented initially by the Commission as amending budget No 3/2003.

1038. *Amending budget No 3/2003.* The Commission adopted the preliminary draft on 26 February <sup>(9)</sup>, and the Council established the draft on 8 April. The purpose was three-fold: to make additional funds available for the scrapping of fishing vessels; to create a new budget line for communication and information work on the European Union's role in the world; and to modify the title and remarks of the budget item for the European Inter-University Centre. The draft received a critical first reading in Parliament on 19 June <sup>(10)</sup>, with the Council approving an amended draft on 22 September <sup>(11)</sup>. The amending budget was then finally adopted by Parliament on 23 September <sup>(11)</sup>.

1039. *Amending budget No 4/2003.* The Commission adopted the preliminary draft on 27 May <sup>(12)</sup>, and the Council established the draft on 15 July <sup>(13)</sup>; Parliament then adopted the amending budget on 23 September <sup>(14)</sup>. Its purpose was to adjust the breakdown of national contributions to the 2003 budget.

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<sup>(1)</sup> [http://europa.eu.int/comm/budget/execution/utilisation/details\\_en.htm](http://europa.eu.int/comm/budget/execution/utilisation/details_en.htm).

<sup>(2)</sup> Bull. 7/8-2003, point 1.7.4.

<sup>(3)</sup> Bull. 3-2003, point 1.7.7.

<sup>(4)</sup> Bull. 6-2003, point 1.7.2.

<sup>(5)</sup> OJ L 182, 21.7.2003; Bull. 7/8-2002, point 1.7.2.

<sup>(6)</sup> Bull. 5-2003, point 1.7.4.

<sup>(7)</sup> Bull. 6-2003, point 1.7.3.

<sup>(8)</sup> OJ L 242, 26.9.2003; Bull. 9-2003, point 1.7.1.

<sup>(9)</sup> Bull. 1/2-2003, point 1.7.2.

<sup>(10)</sup> Bull. 6-2003, point 1.7.1.

<sup>(11)</sup> Bull. 9-2003, point 1.7.2.

<sup>(12)</sup> Bull. 5-2003, point 1.7.5.

<sup>(13)</sup> Bull. 7/8-2003, point 1.7.3.

<sup>(14)</sup> Bull. 9-2003, point 1.7.3.

1040. *Amending budgets Nos 5/2003 and 6/2003.* The Commission adopted the preliminary draft in three stages: on 16 July <sup>(1)</sup>, 27 August <sup>(2)</sup> and 25 September <sup>(3)</sup>. The Council then established the draft on 7 October <sup>(4)</sup>. Finally, the amending budget was adopted by Parliament on 9 October <sup>(4)</sup>. Its purpose was to mobilise the European Union Solidarity Fund (→ point 126) in respect of three disasters resulting from the sinking of the *Prestige* off the Spanish coast, the earthquake in the Italian regions of Molise and Apulia and the eruption of Mount Etna, and in respect of the many large-scale fires which affected Portugal in the summer of 2003.

1041. *Amending budget No 7/2003.* The Commission adopted the preliminary draft on 29 October <sup>(5)</sup>. This amending budget had two components: reduction of the payment appropriations for outstanding commitments under pre-2000 Structural Fund programmes and the addition of a remark on budget line B7-811, a purely technical measure. The Council established the draft on 25 November <sup>(6)</sup>. Following the general agreement reached in the budgetary conciliation procedure between Parliament and the Council on 24 November, Parliament finally adopted it on 4 December <sup>(7)</sup>, but as amending budget No 6/2003.

1042. *Amending budget No 8/2003.* The Commission adopted the preliminary draft on 18 November <sup>(8)</sup>. The purpose of this amending budget was to finance in advance in 2003 the adjustment of staff salaries in 2004. The Council established the draft on 25 November <sup>(6)</sup>. After agreement was reached in the conciliation meeting on 24 November, Parliament finally adopted it on 4 December <sup>(7)</sup>, but as amending budget No 7/2003.

## Outturn of revenue and expenditure

### *Expenditure*

1043. The implementation rates for the 2003 budget are shown in Tables 24 and 25.

### *Revenue*

1044. On the revenue side, total own resources for 2003 came to EUR 91 307.9 million, corresponding to 0.97% of Community GNI. There was also EUR 1 948.4 million in miscellaneous revenue. Revenue for 2003 is shown in Table 26 together with the revenue forecast for 2004.

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<sup>(1)</sup> Bull. 7/8-2003, point 1.7.5.

<sup>(2)</sup> Bull. 7/8-2003, point 1.7.8.

<sup>(3)</sup> Bull. 9-2003, point 1.7.4.

<sup>(4)</sup> Bull. 10-2003, point 1.7.3.

<sup>(5)</sup> Bull. 10-2003, point 1.7.4.

<sup>(6)</sup> Bull. 11-2003, point 1.7.5.

<sup>(7)</sup> Bull. 12-2003, point 1.7.4.

<sup>(8)</sup> Bull. 11-2003, point 1.7.3.

**Table 24**
**Utilisation of appropriations for commitments (Commission)  
at 31 December 2003 by financial perspective subdivision (figures not final)**

Heading	Appropriations entered in 2003 budget	Appropriations entered in 2003 budget (including supplementary and amending budgets and transfers)
<b>1. Common agricultural policy</b>		
— Agricultural expenditure	40 064.450	40 065.450
— Rural development and accompanying measures	4 698.000	4 698.000
<b>Total 1</b>	<b>44 762.450</b>	<b>44 763.450</b>
<b>2. Structural operations</b>		
— Objective 1	21 577.061	21 577.061
— Objective 2	3 651.793	3 651.793
— Objective 3	3 718.927	3 718.927
— Other structural measures (except Objective 1)	171.900	171.900
— Community initiatives	1 866.017	1 866.017
— Innovative measures and technical assistance	143.301	143.301
— Other specific structural measures	12.008	12.008
— Cohesion Fund	2 839.000	2 839.000
<b>Total 2</b>	<b>33 980.008</b>	<b>33 980.008</b>
<b>3. Internal policies</b>		
— Research and technological development	4 055.000	4 169.915
— Other agricultural operations	41.597	40.997
— Other regional policy operations	0.000	15.000
— Transport	32.000	47.400
— Other measures concerning fisheries and the sea	68.020	69.420
— Education, vocational training and youth	559.182	574.425
— Culture and audiovisual media	117.500	119.898
— Information and communication	116.847	116.847
— Social dimension and employment	172.529	178.833
— Contributions to European political parties	0.000	0.000
— Energy	0.000	49.037
— Euratom nuclear safeguards	18.800	18.800
— Environment	224.300	231.117
— Consumer policy and health protection	22.573	23.060
— Aid for reconstruction	0.611	0.611
— Internal market	152.257	183.323
— Industry	0.000	0.000
— Labour market and technological innovation	122.500	124.962
— Statistical information	0.000	34.121
— Trans-European networks	725.057	720.025
— Area of freedom, security and justice	122.683	146.514
— Fraud prevention	7.200	7.200
— European Union Solidarity Fund	0.000	104.789
— Performance facility reserve	0.647	0.661
<b>Total 3</b>	<b>6 559.302</b>	<b>6 976.956</b>

*(million EUR)*

Additional 2003 appropriations and carryovers from 2002	Total appropriations available in 2003	Book commitments entered into in 2003	
		Amount	%
34.770	40 100.220	38 776.430	96.7
49.316	4 747.316	4 543.300	95.7
<b>84.086</b>	<b>44 847.535</b>	<b>43 319.729</b>	<b>96.6</b>
0.055	21 577.117	21 572.590	100.0
0.000	3 651.793	3 651.793	100.0
0.000	3 718.927	3 717.065	99.9
0.000	171.900	171.900	100.0
0.370	1 866.387	1 853.652	99.3
1.011	143.312	136.445	94.5
0.000	12.008	12.008	100.0
31.096	2 870.096	2 865.302	99.8
<b>32.532</b>	<b>34 012.540</b>	<b>33 980.756</b>	<b>99.9</b>
412.134	4 582.049	4 280.773	93.4
0.262	41.259	37.764	91.5
0.000	15.000	15.000	100.0
0.000	47.400	39.298	82.9
0.000	69.420	65.043	93.7
139.588	714.012	671.683	94.1
29.030	148.928	130.300	87.5
2.285	119.132	97.139	81.5
8.623	187.456	176.956	94.4
0.000	0.000	0.000	
7.230	56.266	53.572	95.2
0.038	18.838	13.048	69.3
12.048	243.165	216.951	89.2
0.046	23.106	22.944	99.3
0.000	0.611	0.610	99.9
8.719	192.042	165.933	86.4
60.000	60.000	59.810	99.7
28.400	153.362	137.783	89.8
4.337	38.458	24.114	62.7
7.008	727.033	713.440	98.1
2.001	148.515	139.035	93.6
0.000	7.200	6.735	93.5
0.000	104.789	104.789	100.0
0.000	0.661	0.000	0.0
<b>721.747</b>	<b>7 698.703</b>	<b>7 172.721</b>	<b>93.2</b>

**Table 24** (continued)

Heading	Appropriations entered in 2003 budget	Appropriations entered in 2003 budget (including supplementary and amending budgets and transfers)
<b>4. External action</b>		
— European Development Fund		
— Food aid and support measures	425.637	440.637
— Humanitarian aid	441.690	545.690
— Cooperation with developing countries in Asia	562.500	561.500
— Cooperation with developing countries in Latin America	337.000	334.500
— Cooperation with southern Africa and South Africa	127.000	127.000
— Cooperation with third countries in the Mediterranean and the Middle East	753.870	782.870
— European Bank for Reconstruction and Development	0.000	0.000
— Assistance to the partner States in eastern Europe and central Asia	507.370	495.270
— Cooperation with the western Balkans	684.560	679.560
— Other cooperation measures	481.970	481.548
— European initiatives for democracy and human rights	106.000	106.000
— International fisheries agreements	185.676	187.350
— External aspects of certain Community policies	74.765	78.050
— Common foreign and security policy	47.500	47.500
— Pre-accession strategy for the Mediterranean countries	174.000	186.200
— Performance facility reserve	4.403	0.125
<b>Total 4</b>	<b>4 913.941</b>	<b>5 063.800</b>
<b>5. Administration</b>		
— Commission (excluding pensions)	2 738.883	2 773.469
— Pensions (all institutions)	731.372	739.772
<b>Total 5</b>	<b>3 470.225</b>	<b>3 513.241</b>
<b>6. Reserves</b>		
— Guarantee reserve	217.000	217.000
— Emergency aid reserve	217.000	102.000
<b>Total 6</b>	<b>434.000</b>	<b>319.000</b>
<b>7. Pre-accession aid</b>		
— Sapard	564.000	564.000
— ISPA	1 129.000	1 129.000
— Phare	1 693.000	1 693.000
<b>Total 7</b>	<b>3 386.000</b>	<b>3 386.000</b>
<b>Grand total</b>	<b>97 505.956</b>	<b>98 002.455</b>

Additional 2003 appropriations and carryovers from 2002	Total appropriations available in 2003	Book commitments entered into in 2003	
		Amount	%
2.528	443.165	438.516	99.0
40.949	586.639	586.243	99.9
1.265	562.765	557.946	99.1
3.998	348.498	342.104	98.2
1.163	128.163	126.887	99.0
4.105	786.975	782.428	99.4
0.000	0.000	0.000	
37.549	532.819	511.432	96.0
21.623	701.183	639.165	91.2
6.592	488.140	473.521	97.0
1.713	107.713	105.897	98.3
0.025	187.375	186.108	99.3
18.850	96.904	75.701	78.1
6.209	53.709	53.612	99.8
0.058	186.258	185.866	99.8
0.000	0.125	0.000	0.0
<b>146.632</b>	<b>5 210.432</b>	<b>5 065.427</b>	<b>97.2</b>
124.198	2 897.667	2 865.306	98.9
0.000	739.772	739.772	100.0
<b>124.198</b>	<b>3 637.439</b>	<b>3 605.078</b>	<b>99.1</b>
8.784	225.784	147.920	65.5
0.000	102.000	0.000	0.0
<b>8.784</b>	<b>327.784</b>	<b>147.920</b>	<b>45.1</b>
0.000	564.000	560.149	99.3
0.029	1 129.029	1 128.955	100.0
62.025	1 755.025	1 703.323	97.1
<b>62.054</b>	<b>3 448.054</b>	<b>3 392.426</b>	<b>98.4</b>
<b>1 180.033</b>	<b>99 182.488</b>	<b>96 684.057</b>	<b>97.5</b>

**Table 25****Utilisation of appropriations for payments (Commission) at 31 December 2003 by financial perspective subdivision (figures not final)**

Heading	Appropriations entered in 2003 budget (including supplementary and amending budgets)	Appropriations entered in 2003 budget (including supplementary and amending budgets and transfers)
<b>1. Common agricultural policy</b>		
— Agricultural expenditure (excluding rural development)	40 064.450	40 065.450
— Rural development and accompanying measures	4 698.000	4 698.000
<b>Total 1</b>	<b>44 762.450</b>	<b>44 763.450</b>
<b>2. Structural operations</b>		
— Objective 1	19 366.559	18 057.472
— Objective 2	4 405.549	3 732.816
— Objective 3	3 695.788	3 273.937
— Other structural measures (except Objective 1)	506.109	262.701
— Community initiatives	2 280.103	810.845
— Innovative measures and technical assistance	179.989	161.538
— Other specific structural measures	89.000	89.000
— Cohesion Fund	2 650.000	2 195.211
<b>Total 2</b>	<b>33 173.097</b>	<b>28 583.519</b>
<b>3. Internal policies</b>		
— Research and technological development	3 650.000	3 344.408
— Other agricultural operations	64.897	64.897
— Other regional policy operations	3.000	15.189
— Transport	27.463	28.355
— Other measures concerning fisheries and the sea	62.020	71.160
— Education, vocational training and youth	514.282	526.972
— Culture and audiovisual sector	102.900	119.330
— Information and communication	108.178	108.178
— Social dimension and employment	154.250	160.605
— Contributions to European political parties	0.000	0.000
— Energy	32.400	33.212
— Euratom nuclear safeguards	18.700	18.700
— Environment	199.732	207.832
— Consumer policy and health protection	19.923	20.348
— Aid for reconstruction	0.611	0.611
— Internal market	165.967	178.312
— Industry	0.000	0.000
— Labour market and technological innovation	147.925	149.915
— Statistical information	21.550	32.283
— Trans-European networks	673.297	675.552
— Area of freedom, security and justice	129.413	145.055
— Fraud prevention	6.500	6.500
— European Union Solidarity Fund	0.000	104.789
— Performance facility reserve	0.509	0.520
<b>Total 3</b>	<b>6 103.516</b>	<b>6 012.723</b>

(million EUR)

Additional 2003 appropriations and carryovers from 2002	Total appropriations available in 2003	Book commitments entered into in 2003	
		Amount	%
265.946	40 331.396	38 693.716	95.9
49.316	4 747.316	4 543.300	95.7
<b>315.262</b>	<b>45 078.712</b>	<b>43 237.015</b>	<b>95.9</b>
		18 985.960	94.8
1 978.255	20 035.727	3 586.955	90.8
217.200	3 950.016	2 548.262	74.4
153.200	3 427.137	175.879	59.9
30.700	293.401	801.032	47.5
874.800	1 685.645	145.383	89.9
0.163	161.701	89.000	100.0
0.000	89.000	2 195.124	100.0
0.000	2 195.211		
<b>3 254.318</b>	<b>31 837.837</b>	<b>28 527.596</b>	<b>89.6</b>
795.355	4 139.763	3 279.481	79.2
0.276	65.173	44.739	68.6
0.000	15.189	3.185	21.0
5.450	33.805	27.204	80.5
0.000	71.160	34.369	48.3
181.104	708.075	607.611	85.8
45.237	164.567	123.197	74.9
0.788	108.966	75.681	69.5
7.093	167.698	136.697	81.5
0.000	0.000	0.000	
6.987	40.199	31.128	77.4
0.101	18.801	10.815	57.5
17.904	225.736	169.797	75.2
0.046	20.394	16.432	80.6
0.000	0.611	0.610	99.9
6.783	185.096	142.348	76.9
61.971	61.971	25.122	40.5
26.464	176.379	121.339	68.8
3.983	36.266	28.929	79.8
11.923	687.474	631.297	91.8
14.180	159.234	108.242	68.0
0.000	6.500	4.073	62.7
0.000	104.789	48.539	46.3
0.000	0.520	0.000	0.0
<b>1 185.644</b>	<b>7 198.367</b>	<b>5 670.834</b>	<b>78.8</b>

**Table 25 (continued)**

Heading	Appropriations entered in 2003 budget (including supplementary and amending budgets)	Appropriations entered in 2003 budget (including supplementary and amending budgets and transfers)
<b>4. External action</b>		
— European Development Fund		
— Food aid and support measures	446.850	446.850
— Humanitarian aid	441.690	520.690
— Cooperation with developing countries in Asia	482.753	482.753
— Cooperation with developing countries in Latin America	304.270	304.270
— Cooperation with southern Africa and with South Africa	152.700	128.800
— Cooperation with third countries in the Mediterranean and the Middle East	720.124	759.807
— European Bank for Reconstruction and Development	8.438	8.438
— Assistance to the partner States in eastern Europe and central Asia	515.100	442.930
— Cooperation with the western Balkans	775.000	735.100
— Other cooperation measures	464.827	410.689
— European initiatives for democracy and human rights	107.500	107.500
— International fisheries agreements	191.101	193.490
— External aspects of certain Community policies	87.528	80.443
— Common foreign and security policy	50.000	44.200
— Pre-accession strategy for the Mediterranean countries	59.625	63.495
— Performance facility reserve	5.228	4.983
<b>Total 4</b>	<b>4 812.734</b>	<b>4 734.438</b>
<b>5. Administration</b>		
— Commission (excluding pensions)	2 738.883	2 773.469
— Pensions (all institutions)	731.372	739.772
<b>Total 5</b>	<b>3 470.255</b>	<b>3 513.241</b>
<b>6. Reserves</b>		
— Guarantee reserve	217.000	217.000
— Emergency aid reserve	217.000	138.000
<b>Total 6</b>	<b>434.000</b>	<b>355.000</b>
<b>7. Pre-accession aid</b>		
— Sapard	442.900	432.900
— ISPA	717.500	717.500
— Phare	1 547.000	1 557.000
<b>Total 7</b>	<b>2 707.400</b>	<b>2 707.400</b>
<b>Grand total</b>	<b>95 463.452</b>	<b>90 669.771</b>

Additional 2003 appropriations and carryovers from 2002	Total appropriations available in 2003	Book commitments entered into in 2003	
		Amount	%
2.528	449.378	443.013	98.6
40.949	561.639	516.457	92.0
1.265	484.018	469.388	97.0
1.298	305.568	290.430	95.0
1.163	129.963	117.957	90.8
4.105	763.911	748.051	97.9
0.000	8.438	8.438	100.0
20.549	463.479	403.194	87.0
31.623	766.723	502.421	65.5
13.120	423.810	359.936	84.9
1.713	109.213	99.392	91.0
0.025	193.515	187.760	97.0
18.890	99.333	46.211	46.5
6.209	50.409	31.000	61.5
0.058	63.553	57.584	90.6
0.000	4.983	0.000	0.0
<b>143.496</b>	<b>4 877.934</b>	<b>4 281.230</b>	<b>87.8</b>
405.307	3 178.776	2 807.049	88.3
0.023	739.795	739.419	99.9
<b>405.330</b>	<b>3 918.571</b>	<b>3 546.467</b>	<b>90.5</b>
8.784	225.784	147.920	65.5
0.000	138.000	0.000	0.0
<b>8.784</b>	<b>363.784</b>	<b>147.920</b>	<b>40.7</b>
0.000	432.900	263.462	60.9
0.029	717.529	428.969	59.8
90.160	1 647.160	1 546.538	93.9
<b>5 403.023</b>	<b>2 797.590</b>	<b>2 238.968</b>	<b>80.0</b>
<b>5 403.023</b>	<b>96 072.794</b>	<b>87 650.031</b>	<b>91.2</b>

**Table 26**

<b>Budget revenue</b>		
	<i>(million EUR)</i>	
<b>Field</b>	<b>2003</b>	<b>2004</b>
Agricultural duties	1 012.0	839.1
Sugar and isoglucose levies	383.2	359.9
Customs duties	9 457.5	9 850.0
VAT own resources	21 536.3	13 319.5
GNI-based own resources	50 906.0	69 444.6
Balance of VAT and GNI own resources from previous years	336.0	p.m.
Surplus available from previous year	7 676.8	p.m.
Other revenue	1 948.4	805.6
<b>Total</b>	<b>93 256.2</b>	<b>94 618.7</b>
	% of GNI	
Maximum own resources which may be assigned to the budget	1.24	1.24
Own resources actually assigned to the budget	0.97	0.97

## Discharge procedure

### 2000 financial year

**1045. *Follow-up report.*** In its resolution of 30 January <sup>(1)</sup> on the Commission report <sup>(2)</sup> on the measures taken in the light of the observations which it had made in its 2000 discharge resolution <sup>(3)</sup>, Parliament acknowledged the efforts made by the Commission to reply in a satisfactory fashion to the questions put and observations made. It noted that 2000 was significant in terms of the number of proposed reforms to improve the management and the financial and control system of the Commission. On 7 March the Council adopted conclusions on the Commission's report, inviting it to cooperate with the Court of Auditors and the Member States in pursuing certain aspects of the reform effort <sup>(4)</sup>.

### 2001 financial year

**1046. *General budget.*** On 8 April, following the Council recommendation of 7 March <sup>(5)</sup>, Parliament gave the Commission discharge in respect of the implementation of the general budget for the 2001 financial year and closed the accounts for that year <sup>(6)</sup>. The decision was accompanied by a resolution containing its comments. On the same date <sup>(7)</sup> Parliament also granted discharge to its own Secretary-General <sup>(8)</sup>, to the Secretaries-General of

<sup>(1)</sup> Bull. 1/2-2003, point 1.7.3.

<sup>(2)</sup> COM(2002) 696.

<sup>(3)</sup> OJ L 158, 17.6.2002; 2002 General Report, point 1044.

<sup>(4)</sup> Bull. 3-2003, point 1.7.11.

<sup>(5)</sup> Bull. 3-2003, point 1.7.9.

<sup>(6)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.4.

<sup>(7)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.11.

<sup>(8)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.6.

the Council, the Court of Auditors, the European Economic and Social Committee and the Committee of the Regions, and to the Registrar of the Court of Justice and the Ombudsman in respect of the implementation of their budgets for the 2001 financial year.

**1047. *Specific budgets.*** Following other recommendations adopted by the Council on 7 March <sup>(1)</sup>, Parliament granted discharge to the Commission on 8 April in respect of the financial management of the sixth, seventh and eighth European Development Funds for the 2001 financial year <sup>(2)</sup>. Also on 8 April, and again on a recommendation from the Council dated 7 March <sup>(3)</sup>, it granted discharge to the Management Board of the European Centre for the Development of Vocational Training (Cedefop) <sup>(4)</sup>, to the Administrative Board of the European Foundation for the Improvement of Living and Working Conditions (Dublin Foundation) <sup>(5)</sup> and to the Director of the European Agency for Reconstruction (Kosovo) <sup>(6)</sup> in respect of the implementation of their budgets for the 2001 financial year. However, despite favourable recommendations from the Council <sup>(3)</sup>, Parliament decided to postpone other decisions in the 8 April package, pending clarification of the rules applicable to discharge <sup>(7)</sup>. The decisions in question concerned the granting of discharge for the 2001 financial year to the Directors of the following agencies: the European Agency for Safety and Health at Work, the European Environment Agency, the Translation Centre for the Bodies of the European Union, the European Monitoring Centre for Drugs and Drug Addiction and the European Monitoring Centre on Racism and Xenophobia. Discharge was finally granted on 6 November <sup>(8)</sup>.

**1048. *ECSC operating budget.*** On 8 April Parliament granted discharge to the Commission in respect of the implementation of the ECSC operating budget for 2001 <sup>(9)</sup>. This decision was accompanied by a resolution containing Parliament's comments <sup>(10)</sup>.

**1049. *Follow-up report.*** In this report to the budgetary authority dated 29 October <sup>(11)</sup> the Commission sets out its replies to the comments made by Parliament and the Council in the 2001 discharge procedures.

## 2002 financial year

**1050. *Convention on the Future of the European Union.*** At its meeting on 5 and 6 June <sup>(12)</sup>, the Council gave its assent concerning the discharge to be given to the Secre-

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<sup>(1)</sup> OJ L 71, 15.3.2003; Bull. 3-2003, point 1.7.10.

<sup>(2)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.5.

<sup>(3)</sup> Bull. 3-2003, point 1.7.8.

<sup>(4)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.7.

<sup>(5)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.8.

<sup>(6)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.9.

<sup>(7)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.10.

<sup>(8)</sup> OJ L 333, 20.12.2003; Bull. 11-2003, point 1.7.6.

<sup>(9)</sup> Bull. 4-2003, point 1.7.12.

<sup>(10)</sup> OJ L 148, 16.6.2003; Bull. 4-2003, point 1.7.12.

<sup>(11)</sup> COM(2003) 651; Bull. 10-2003, point 1.7.5.

<sup>(12)</sup> Bull. 6-2003, point 1.7.5.

tary-General of the Convention in respect of the implementation, for the 2002 financial year, of the budget of the fund set up to finance the Convention in 2002, as adopted on 18 April 2002 by the Conference of Representatives of the Governments of the Member States <sup>(1)</sup>. Parliament also gave a positive opinion on 16 December <sup>(2)</sup>. The fund was managed in accordance with the interinstitutional agreements signed in 2002 for the financing of the Convention <sup>(3)</sup>.

## Financial regulation

1051. A large proportion of the financial rules adopted or proposed in 2003 followed on from the new financial regulation applicable to the Community budget of 25 June 2002, which entered into force on 1 January 2003 <sup>(4)</sup>.

1052. *Financial rules applicable to Community bodies.* On 18 June the Council adopted a series of regulations (Table II) and one decision (Table II) amending the basic acts of certain Community bodies as regards the budgetary and financial rules applicable to those bodies and access to their documents. These adjustments were necessary as a result of the recasting of the financial regulation applicable to the Community budget, mentioned above. The bodies in question were: the European Centre for the Development of Vocational Training, the European Foundation for the Improvement of Living and Working Conditions, the European Training Foundation, the European Monitoring Centre for Drugs and Drug Addiction, the European Agency for the Evaluation of Medicinal Products, the European Agency for Health and Safety at Work, the Translation Centre for the Bodies of the European Union, the European Monitoring Centre on Racism and Xenophobia, the European Agency for Reconstruction, Eurojust, the Office for Harmonisation in the Internal Market and the Community Plant Variety Office.

On 22 July Parliament and the Council made similar adjustments to the financial and budgetary rules applicable to the European Environment Agency, the European Food Safety Agency, the European Aviation Safety Agency and the European Maritime Safety Agency (Table I). On 11 July the Commission laid before Parliament, the Council and the Court of Auditors, for an opinion, a draft standard financial regulation applicable to the administrative budget of the executive agencies entrusted with certain tasks in the management of Community programmes <sup>(5)</sup>. The Council gave its opinion on 4 November <sup>(6)</sup>.

1053. *Grants.* In a communication adopted on 27 May, the Commission stressed that, in implementing the new financial regulation, specific basic acts would have to be adopted for grants which had hitherto been financed without being covered by such an act. Accord-

<sup>(1)</sup> Decision 2002/351/EU (OJ L 123, 9.5.2002; 2002 General Report, point 7).

<sup>(2)</sup> Bull. 12-2003, point 1.7.6.

<sup>(3)</sup> OJ C 54, 1.3.2002; OJ L 60, 1.3.2002; OJ L 349, 24.12.2002; 2002 General Report, point 7.

<sup>(4)</sup> Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002 and 2002 General Report, point 1048).

<sup>(5)</sup> SEC(2003) 803; Bull. 7/8-2003, point 1.7.11.

<sup>(6)</sup> Bull.11-2003, point 1.7.7.

ingly, it set out the main principles used to define basic acts and proposed the adoption of such acts for promoting organisations or measures in specific fields: equality between men and women, education and training, youth and culture, European civic participation, protection of the Community's financial interests and mutual understanding of relations between the European Union and certain non-industrialised regions of the world <sup>(1)</sup>.

**1054.** *Impact of enlargement.* On 10 December, in line with what was agreed by Parliament and the Council at the conciliation meetings on the preparation of the 2004 budget, the Commission proposed amending a series of decisions and regulations in order to adjust the reference amounts for a number of Community programmes (Table I) (Table II). These adjustments are to take account of the impact of opening these programmes to the future Member States.

**1055.** *Financial regulation applicable to the ninth European Development Fund (EDF).* This subject is dealt with in Section 13 ('Relations with the ACP countries and the OCTs') of Chapter VI (→ point 1005).

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<sup>(1)</sup> COM(2003) 274; Bull. 5-2003, point 1.7.6.

*Section 4***Internal control and internal audit**

**1056. *Internal control.*** In a communication adopted on 21 January, the Commission clarified the respective roles and responsibilities of the key players involved in internal control and internal audit and asked the Central Financial Service to provide an overview of the internal control situation across the Commission on the basis of information received from the directorates-general (DGs) and audit reports. Each director-general or head of service designated the person who in their DG or service would perform coordination tasks relating to internal control systems <sup>(1)</sup>. The first meeting of the internal control coordinators was held in June. Throughout the year the Central Financial Service stepped up its assistance to DGs and services, by facilitating self-assessment exercises on internal control systems and detailed risk analyses and by designing new methods and tools ('Internal control assessment tool').

In its synthesis of the 2002 annual activity reports of DGs and services <sup>(2)</sup>, the Commission called for the overview to be established DG by DG and for the annual review to be updated in October every year. In addition, it underlined the need for directors-general to report at least twice a year to their Commissioner(s) on major audit and control issues, and in particular the findings of internal audits and information provided by OLAF (the Anti-Fraud Office) and for the DGs to assess in the autumn their preparedness for complying with the baseline requirements for the 24 internal control standards before the end of 2003. While the level of compliance proved to be generally high, there was still room for improvement in certain key areas of internal control, in particular the documentation of procedures, risk assessment and supervision. Finally the Secretariat-General, the Personnel and Administration DG and the Budget DG issued guidelines for implementing the 'sensitive posts' internal control standard <sup>(3)</sup>. There will be compulsory mobility for persons who have been occupying such posts for at least seven years. From the end of 2004 the time limit will be reduced to five years.

**1057. *Internal audit.*** The one-off, unplanned mission connected with the difficulties encountered in the management of the Statistical Office (Eurostat) delayed the in-depth audits the Internal Audit Service (IAS) <sup>(4)</sup> had programmed in order to complete the White Paper audit cycle <sup>(5)</sup>. However, the IAS was able to conduct audits of the DGs which had been identified as the highest risks. It was also able to present the results of cross-cutting audits mainly on IT governance and financial and accounting management. The links between the IAS and internal audit capabilities were strengthened, notably by devoting

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<sup>(1)</sup> SEC(2003) 59.

<sup>(2)</sup> COM(2003) 391; Bull. 7/8-2003, point 1.9.7.

<sup>(3)</sup> SEC(2003) 1076.

<sup>(4)</sup> [http://europa.eu.int/comm/dgs/internal\\_audit/index.htm](http://europa.eu.int/comm/dgs/internal_audit/index.htm).

<sup>(5)</sup> 2000 General Report, points 1079 and 1209; 2002 General Report, point 1053.

substantial resources to ensuring the success of the work (methodology, parameterisation and preparation of the installation) for installing software on which the entire audit process (AMS) will run. In accordance with the new June 2002 financial regulation <sup>(1)</sup>, the Commission presented a report to the discharge authority on 9 July summarising the number and types of audits carried out by the internal auditor in 2002, the main recommendations made and the action taken on those recommendations <sup>(2)</sup>.

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<sup>(1)</sup> Council Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002; 2002 General Report, point 1048).

<sup>(2)</sup> COM(2003) 422; Bull. 7/8-2003, point 1.7.16.

*Section 5*

## Protection of the Communities' financial interests and the fight against fraud <sup>(1)</sup>

1058. *Annual report from the Commission.* In its annual report, adopted on 23 July <sup>(2)</sup>, the Commission examines the steps taken in 2002 to protect the Communities' financial interests from three different angles: Community initiatives, measures taken by the Member States, and the results of action undertaken by the Member States and the Commission to detect attacks on financial interests and to optimise the means of fighting fraud. The report sheds light on how the responsibilities of the various parties concerned are interrelated and how the efforts made at Community and national level tend towards the same goal, including moves to integrate the future Member States in the overall anti-fraud strategy defined in June 2000 for the period 2000–05 <sup>(3)</sup>. The Commission also reports on progress made in the electronic communication of data and carries out a tentative analysis of trends in the irregularities notified.

The European Parliament adopted a resolution on the Commission's 2001 annual report <sup>(4)</sup> on 13 March <sup>(5)</sup>.

1059. *Evaluation of the activities of the European Anti-Fraud Office (OLAF).* On 2 April the Commission adopted a report evaluating the operational and investigative activities carried out by the Office since it was set up in 1999 <sup>(6)</sup>. In particular, the report emphasises the complementarity of these activities with those of other Commission departments, disciplinary bodies and the Court of Auditors, and looks at cooperation with national authorities, Europol, Eurojust and international bodies. It also covers developments in the Office's expertise relating to the Commission's general tasks, in particular formulation of the anti-fraud strategy and the preparation of legislative initiatives. The report also sets out a number of recommendations designed to consolidate the present structure of the Office. Looking to the future, it addresses the question of the creation of a European Prosecutor for the protection of the Communities' financial interests. The Supervisory Committee delivered its opinion on the report on 18 June, criticising certain aspects but endorsing the Commission's analysis and recommendations up to and including the planned creation of a European Prosecutor.

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/anti\\_fraud/index\\_en.html](http://europa.eu.int/comm/anti_fraud/index_en.html)).

<sup>(2)</sup> COM(2003) 445; Bull. 7/8-2003, point 1.7.17; ([http://europa.eu.int/comm/anti\\_fraud/reports/index\\_en.html](http://europa.eu.int/comm/anti_fraud/reports/index_en.html)).

<sup>(3)</sup> COM(2000) 358; 2000 General Report, point 1082.

<sup>(4)</sup> COM(2002) 348; 2002 General Report, point 1055.

<sup>(5)</sup> Bull. 3-2003, point 1.7.14.

<sup>(6)</sup> COM(2003) 154; Bull. 4-2003, point 1.7.13.

**1060.** *Follow-up to the Green Paper on the establishment of a European Prosecutor* <sup>(1)</sup>. In a report adopted on 19 March <sup>(2)</sup>, the Commission summarises the opinions and reactions received in the public consultation exercise <sup>(3)</sup> launched following the publication in 2001 of its Green Paper on the criminal-law protection of the financial interests of the Community and the establishment of a European Prosecutor <sup>(4)</sup>. It considers that these opinions reaffirm the added value such a body would contribute to the fight against crime affecting Community finances. An assessment of replies by subject area highlights the institutional and legal issues that will need to be addressed in greater depth in order to make it easier to implement the project. In particular the Commission concludes that a revision of the Treaties is indispensable in this field. In a resolution adopted on 27 March <sup>(5)</sup>, the European Parliament supported the idea of establishing a European Public Prosecutor as part of institutional reform.

**1061.** *Action programme.* On 27 May the Commission adopted a proposal to establish a Community programme to promote activities in the field of the protection of the Communities' financial interests (Hercule programme) (Table I). It covers both grants for specific measures, e.g. studies, conferences or training, and operating grants to bodies working to promote the protection of the Community's financial interests.

**1062.** *Anti-counterfeiting measures.* On 8 December the Council adopted Decision 2003/861/EC formally assigning the Commission responsibility for ensuring the smooth operation of the European Technical and Scientific Centre (ETSC) and the coordination of activities to protect euro coins against counterfeiting (Table II); Decision 2003/862/EC, adopted on the same day, extended the effects of Decision 2003/861/EC to those Member States which have not adopted the euro as their single currency <sup>(6)</sup>. At the invitation of the Council, on 3 September the Commission adopted a second report <sup>(7)</sup> based on Article 11 of the Council framework decision on increasing protection by criminal penalties and other sanctions against counterfeiting in connection with the introduction of the euro <sup>(8)</sup>.

**1063.** *Commission–Europol memorandum of understanding.* On 18 February the Commission and Europol signed an administrative agreement on cooperation (→ point 529) concerning consultation, mutual assistance and the exchange of information in areas of common interest, which include the protection of the Communities' financial interests.

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<sup>(1)</sup> [http://europa.eu.int/comm/anti\\_fraud/green\\_paper/index\\_en.html](http://europa.eu.int/comm/anti_fraud/green_paper/index_en.html).

<sup>(2)</sup> COM(2003) 128; Bull. 3-2003, point 1.7.15.

<sup>(3)</sup> 2002 General Report, point 1057.

<sup>(4)</sup> COM(2001) 715; 2001 General Report, point 1173.

<sup>(5)</sup> Bull. 3-2003, point 1.7.16.

<sup>(6)</sup> OJ L 325, 12.12.2003; Bull. 12-2003, point 1.3.3.

<sup>(7)</sup> COM(2003) 532; Bull. 9-2003, point 1.7.6. Previous report: COM(2001) 771; 2001 General Report, points 547 and 1170.

<sup>(8)</sup> Framework Decision 2000/383/JHA (OJ L 140, 14.6.2000; 2000 General Report, point 465).

1064. *OLAF–Eurojust memorandum of understanding.* This agreement, which was concluded by OLAF and Eurojust on 14 April, provides for close coordination between OLAF's Judicial Advice Unit and the members of Eurojust to structure the cooperation provided for under Article 280(3) of the EC Treaty and the cooperation organised through the members of Eurojust under the third pillar (→ point 519).

## Section 6

## Borrowing and lending operations

1065. Table 27 shows the loans granted each year for 2001 to 2003.

Table 27

<b>Loans granted</b>			
	<i>(million EUR)</i>		
<b>Instrument</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>
EC — Balance of payments	—	—	
EC — Medium-term financial assistance to countries of central Europe and other non-member countries	305	12	118
EC — Food aid	—	—	
ECSC	—	—	
Euratom	40	40	25
EIB, of which:	36 776	39 618	42 332
— Community	31 184	33 442	34 187
— non-member countries, of which:	5 592	6 176	8 145
— ACP countries, OCTs and South Africa	670	348	723
— Mediterranean countries	1 401	1 588	2 088
— candidate countries	2 659	3 641	4 589
— Latin America and Asia	543	174	348
— western Balkans	319	425	372
— Russia			25
<b>Total</b>	<b>37 121</b>	<b>39 670</b>	<b>92 952</b>

*Section 7*

## General budget guarantee for borrowing and lending operations

**1066.** *General approach.* The guarantee by the Community budget covers lenders when the Community floats an issue under one of its financial instruments: balance-of-payments support facility, Euratom loans, and medium-term financial assistance for certain non-member countries (→ points 120 to 122). The budget guarantee is also given to the European Investment Bank (EIB) for loans it grants from its own resources to various non-member countries <sup>(1)</sup>. At the end of 2003, the ceiling for authorised borrowing and lending operations guaranteed by the general budget was EUR 41.402 billion (41.402 billion at the end of 2002). At 31 December the guarantee was in operation for EUR 1.495 billion of Community borrowing (1.458 billion at the end of 2002) and for EUR 13.572 billion (13.756 billion at the end of 2002) granted by the EIB out of its own resources.

In reports adopted on 21 January <sup>(2)</sup>, 12 May <sup>(3)</sup> and 4 July <sup>(4)</sup>, the Commission analysed changes in the risk situation and the activation of budget guarantees at 31 December 2001, 30 June 2002 and 31 December 2002. On 9 July it adopted its annual report on management of the Guarantee Fund in 2002 <sup>(5)</sup>. On 13 October it adopted its comprehensive report on the functioning of the Fund <sup>(6)</sup> and a proposal for a Council regulation amending Regulation (EC, Euratom) No 2728/94 establishing the Fund (Table II).

**1067.** *The Guarantee Fund for external actions* <sup>(7)</sup>. This Fund, set up to reimburse the Community's creditors in the event of default by the recipient of a loan given or guaranteed by the Community in a non-member country <sup>(8)</sup>, was activated for payment defaults in 2003. It was required to cover a total of EUR 4 828 133.87 in loans granted by the EIB to Argentina.

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<sup>(1)</sup> 1997 General Report, point 1092; 1999 General Report, point 967; 2000 General Report, point 1091; 2001 General Report, point 1175.

<sup>(2)</sup> COM(2003) 15; Bull. 1/2-2003, point 1.7.5.

<sup>(3)</sup> COM(2003) 249.

<sup>(4)</sup> COM(2003) 396; Bull. 7/8-2003, point 1.7.15.

<sup>(5)</sup> COM(2003) 405; Bull. 7/8-2003, point 1.7.12.

<sup>(6)</sup> COM(2003) 604; Bull. 10-2003, point 1.7.6.

<sup>(7)</sup> <http://europa.eu.int/scadplus/leg/en/lvb/l34006.htm>.

<sup>(8)</sup> 1994 General Report, point 1133.

## *Chapter VIII*

# **Community law**

## *Section I*

### **Monitoring the application of Community law <sup>(1)</sup>**

1068. In 2003 the Commission started 1 552 infringement proceedings (996 in 2002). Detailed information on the infringement proceedings instituted during the year and on the situation regarding transposal of Community directives into the national laws of the Member States will be given in the 21st annual report on monitoring the application of Community law, which will be published in 2004.

1069. On 21 November the Commission adopted the 20th annual report on monitoring the application of Community law (2002) <sup>(2)</sup>. On 3 June <sup>(3)</sup> the European Parliament passed a resolution on the 18th <sup>(4)</sup> and 19th <sup>(5)</sup> annual reports.

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/secretariat\\_general/sgb/droit\\_com/index\\_en.htm](http://europa.eu.int/comm/secretariat_general/sgb/droit_com/index_en.htm)).

<sup>(2)</sup> COM(2003) 669; Bull. 11-2003, point 1.8.1.

<sup>(3)</sup> Bull. 6-2003, point 1.8.1.

<sup>(4)</sup> COM(2001) 309; 2001 General Report, point 1178.

<sup>(5)</sup> COM(2002) 324; Bull. 6-2002, point 1.8.1.

*Section 2*

## Decisions by the Court of Justice and the Court of First Instance <sup>(1)</sup>

### Fundamental rights

1070. *Ne bis in idem principle.* In a judgment of 11 February <sup>(2)</sup>, the Court considered the conditions for applying the *ne bis in idem* principle pursuant to the Convention implementing the Schengen Agreement (CISA). Article 54 of this Convention enshrines the *ne bis in idem* principle, under which a person whose trial has been finally disposed of in a Member State may not be prosecuted for the same acts in another Member State. The national courts asked the Court of Justice whether this principle also applies where further prosecution is barred, in other words where the public prosecutor decides to discontinue criminal proceedings once the accused has fulfilled certain obligations. Basing itself on the principle of effective application of Article 54 and the objectives of the Union, the Court took the same line as the Commission and ruled that the person concerned must be considered as someone whose case has been ‘finally disposed of’ in relation to the acts he is alleged to have committed, even if no court has been involved in the procedure and even if the decision in which the procedure culminates does not take the form of a judgment. The CISA does not make application of the *ne bis in idem* principle subject to any such procedural or formal condition, or indeed conditional upon the harmonisation or approximation of the criminal laws of the Member States relating to procedures whereby further prosecution is barred. In any event there is nothing to prevent the injured party from bringing a civil action for damages. In a dictum which could be seminal for the development of judicial cooperation, the Court stressed that the *ne bis in idem* principle necessarily implies ‘that the Member States have mutual trust in their criminal justice systems and that each of them recognises the criminal law in force in the other Member States even when the outcome would be different if its own national law were applied’.

1071. *Right to a fair hearing.* In a judgment of 10 April in *Joachim Steffensen* <sup>(3)</sup>, the Court considered a reference for a preliminary ruling on the admissibility of the results of analyses as evidence even in the absence of a second opinion. The Court was called upon to examine with regard to the right to a fair hearing as laid down by Article 6(1) of the European Convention on Human Rights (ECHR) and as interpreted by the European Court of Human Rights whether, in the absence of a second opinion, as provided for by Directive

<sup>(1)</sup> Statistics concerning the activities of the Court of Justice and the Court of First Instance in 2003 are published in the Court’s annual report (2004 edition forthcoming) and on the Europa server (<http://curia.eu.int/en/instit/presentation-fr/rapport.htm>). Analyses of a wider selection of decisions can also be found in the quarterly review published in the *Bulletin of the European Union* (Bull. 3-2003, points 1.8.22 to 1.8.24; Bull. 6-2003, points 1.8.50 to 1.8.57; Bull. 9-2003, points 1.8.39 to 1.8.48).

<sup>(2)</sup> Joined Cases C-187/01 *Hüseyn Gözutok* and C-385/01 *Klaus Brügge* (2003) ECR I-01345 (Bull. 3-2003, point 1.8.22).

<sup>(3)</sup> Case C-276/01 *Joachim Steffensen* (2003) ECR I-3735 (Bull. 6-2003, point 1.8.51).

89/397/EEC on the control of foodstuffs, the results of the analyses of samples are admissible as evidence before a national court. To this end, the Court made a virtually direct reference to the case-law of the Strasbourg Court to conclude that the national court must consider whether such evidence should be excluded in order to avoid measures incompatible with compliance with fundamental rights, in particular the right to a fair hearing before a tribunal, as laid down by Article 6(1) of the ECHR.

1072. *Privacy of the individual.* Asked to give a preliminary ruling on the compatibility of an Austrian law with the provisions of Community law, the Court of Justice delivered a judgment on 20 May <sup>(1)</sup> on an employer's right to publish data on employees' salaries. The Austrian federal constitutional law on the limitation of income of public officials requires legal entities subject to audit by the Rechnungshof (Court of Auditors) to inform it of salaries and pensions exceeding a certain threshold. The Rechnungshof collects the data, including the names of the persons concerned, in a report to members of the parliamentary assemblies. This report is then distributed widely to the public. Two employees of the Österreichischer Rundfunk (ORF) (Austrian State radio) brought proceedings to prevent ORF from communicating their names. Although Directive 95/46/EC on the protection and free movement of personal data is based on Article 95 of the EC Treaty, the Court gave a broad interpretation of its scope of application as not being limited to the existence of an actual link with free movement between Member States in each of the situations referred to by the directive. As for the purpose of the directive, the Court pointed out that, while it is primarily to ensure the free movement of personal data, it does require Member States to observe the protection of the fundamental rights and freedoms of individuals, in particular their right to privacy. As part of its examination of the Austrian national legislation for compatibility with the provisions of the directive, the Court first examined it for compatibility with Article 8 of the European Convention on Human Rights (ECHR) on the protection of privacy. The Court stressed that communication by an employer to a third party of data relating to the remuneration received by an employee or pensioner is an interference with private life within the meaning of Article 8 of the ECHR and may be justified only if it is in accordance with the law, pursues a legitimate aim as specified in that article, and is necessary in a democratic society to achieve that aim. In this respect the Court found first that the interference was in accordance with Austrian law but that it was for the national courts to ascertain whether disclosure of the names of the persons (which is not provided for) meets the requirement of foreseeability. Next the Court observed that the objective of the interference was to ensure the thrifty and appropriate use of public funds by the authorities, which constitutes a legitimate aim within the meaning of Article 8 of the ECHR, which mentions the 'economic well-being of the country'. Finally, as regards necessity, the Court considered that it was for the national courts to examine whether it was necessary to disclose to the general public, over and above the report to the parliamentary assemblies, the names of the persons in relation to their salaries, and whether it would suffice to inform them only of the salaries and other financial benefits to which the employees concerned were contractually entitled.

<sup>(1)</sup> Cases C-465/00 *Rechnungshof v Österreichischer Rundfunk and Others*, C-138/01 *Christa Neukomm v Österreichischer Rundfunk* and C-139/01 *Joseph Lauerermann v Österreichischer Rundfunk* (2003) ECR I-4989 (Bull. 6-2003, point 1.8.50).

## Institutional law

1073. *Committee procedure.* On 21 January the Court delivered a judgment <sup>(1)</sup> on the procedures for the exercise of implementing powers conferred on the Commission and ruled on the annulment in part of Parliament and Council Regulation (EC) No 1655/2000 concerning the financial instrument for the environment (LIFE). It annulled the provision imposing the regulatory committee procedure in Parliament and Council Regulation (EC) No 1655/2000 concerning the financial instrument for the environment (LIFE). The Commission had alleged failure by the legislature to comply with the criteria laid down in the 1999 committee procedure decision, which provides for the management procedure for the implementation of financial programmes, including those with substantial financial implications.

The Court ruled first that the fact that the criteria in question are not mandatory does not prevent them from having certain legal effects and in particular does not prevent the Community legislature from being subject to the obligation to state reasons when it departs from those criteria. The Court went on to confirm that, according to the criteria in question, the LIFE programme did fall under the management procedure or possibly the consultative procedure. As requested by the Commission, the Court maintained in force the effects of the contested provision until Parliament and the Council adopt a new provision on the committee procedure. The Commission subsequently presented a proposal to this end to the Council and the European Parliament.

1074. *Liability of courts adjudicating at last instance.* In this landmark ruling of 30 September <sup>(2)</sup>, dealing for the first time with the delicate matter of Member States' liability for an infringement of Community law by one of their courts adjudicating at last instance (in this case Austria's Supreme Administrative Court), the Court fully supports the Commission's view (largely shared by the Advocate-General), which was, however, contested in full or in part by most of the Member States which intervened.

The Court pointed out first of all that it had already held that the system of the EC Treaty required Member States to make good damage caused to individuals by breaches of Community law for which they were responsible, whatever the authority of the Member State responsible for the damage (including judicial authorities). This responsibility was inherent in the system of the Treaty, especially since Community law directly governed the situation of individuals. The Court also referred to the particular responsibility of courts of last instance to protect individuals' interests, citing the third paragraph of Article 234 of the EC Treaty (mandatory reference to the Court).

The Court went on to dismiss all the arguments put forward by the Member States against such an approach. First, legal certainty (*res judicata*). While acknowledging the value of

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<sup>(1)</sup> Case C-378/00 *Commission v European Parliament and Council of the European Union* (2003) ECR I-00937 (Bull. 3-2003, point 1.8.23).

<sup>(2)</sup> Case C-224/01 *Gerhard Köbler v Republic of Austria* (2003) (Bull. 9-2003, point 1.8.46).

this argument, the Court stressed that liability did not mean calling into question the decision handed down as *res judicata*, since the purpose of the proceedings was different, as frequently were the parties involved. Second, regarding the independence of the judiciary, the Court of Justice drew a clear distinction between the personal liability of the judge, and the liability of the Member State for the judge's decisions. It did not consider that the court's independence was compromised by the State's liability. Third, the difficulty of designating the authority competent to determine disputes could not be allowed to compromise the protection of individuals; it was for the Member States to establish the competent authority. The Court also referred to the possibility of awarding compensation to victims of miscarriages of justice, even where a court adjudicating at last instance was involved, a possibility recognised by the European Convention on Human Rights and the European Court of Human Rights.

With regard to liability, the Court, recognising the specific nature of the judicial function, held that 'State liability for an infringement of Community law by a (final) decision can be incurred only in the exceptional case where the court has manifestly infringed the applicable law'.

Among the criteria for identifying a manifest infringement of Community law, the Court listed the degree of clarity and precision of the rule infringed, whether the infringement was intentional, whether the error of law was excusable or inexcusable, the position, where applicable, taken by a Community institution and non-compliance by the court in question with its obligation to make a reference for a preliminary ruling under the third paragraph of Article 234 of the EC Treaty.

It went on to rule that the Austrian law establishing the loyalty bonus for all Austrian universities constituted an obstacle to freedom of movement for workers prohibited by the EC Treaty and could not be justified. However, it considered that in the circumstances the Austrian court of last instance did not commit a manifest and thus sufficiently serious breach of Community law and consequently that the Austrian State was not liable for it.

As the Court emphasised, it had not yet had the opportunity of deciding whether a loyalty bonus could be justified under Community law when a supreme court had adjudicated, and the reply to that question was therefore not obvious.

## Freedom of movement for workers

1075. *Conferment of powers of public authority.* In two judgments of 30 September <sup>(1)</sup>, the question put to the Court was whether workers from other Member States could be appointed to the post of captain of fishing vessels or merchant navy ships (flying the German and Spanish flags respectively), where authority was conferred on the captains of

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<sup>(1)</sup> Cases C-405/01 *Colegio de Oficiales de la Marina Mercante Española* and C-47/02 *Anker and Others v Germany* (2003) (Bull. 9-2003, point 1.8.47).

such ships to exercise security and police powers in the event of danger on board, accompanied if necessary by powers of investigation or coercion or powers to impose penalties. In addition, certain ancillary registrar functions were also conferred on them.

It was settled case-law of the Court that the possibility of reserving such posts for nationals was confined pursuant to Article 39(4) of the EC Treaty to posts in the public service ('organisational' criterion) which involved 'direct or indirect participation in the exercise of powers conferred by public law and duties designed to safeguard the general interests of the State or of other public authorities and thus presume(d) on the part of those occupying them the existence of a special relationship of allegiance to the State and reciprocity of rights and duties which form the foundation of the bond of nationality' ('functional' criterion).

The Court considered in the cases at issue that the mere fact that the powers of public authority were conferred by national law on private employers did not rule out the applicability of the derogation if the other conditions were met. Such a derogation from a basic freedom required these powers to be effectively exercised on a regular basis and not to form merely a marginal part of the activities concerned. This was not the case for the functions of high-sea fishing captain or merchant navy captain.

1076. *Principle of non-discrimination.* On 8 May the Court delivered a judgment <sup>(1)</sup> on a reference for a preliminary ruling, in which it ruled on the application of the principle of equal treatment for workers set out in the Europe agreement with Slovakia. Maros Kolpak, who is a Slovak national, is a handball player in the second-division German team TSV Östringen. He has signed an employment contract with his club. He has been resident in Germany with a valid residence permit since 1997. Under the federal rules governing competitive games drawn up by the Deutscher Handballbund, in league and cup matches teams in federal and regional leagues may not field more than two players who are nationals of a non-member country. Mr Kolpak appealed against this restriction, invoking the principle of equal treatment for workers set out in the Europe agreement with Slovakia, in particular as regards working conditions. The Court first confirmed its earlier judgments that this provision, which is directly applicable, may be invoked by Slovak nationals before the national courts of the host Member State. It then went on to point out that, according to the principles set out in *Bosman* 1995, a rule which limits the number of professional players who may participate in certain matches constitutes discrimination prohibited by the above agreement and cannot be justified on sports-related grounds, except in matches between national teams. However, such prohibition applies only to Slovak workers who, like Mr Kolpak, are already legally employed in the territory of a Member State and solely with regard to conditions of work, remuneration or dismissal. It does not extend to national rules dealing with access to the labour market. This judgment was totally in line with the Commission's observations.

(1) Case C-438/00 *Deutscher Handballbund eV v Maros Kolpak* (2003) ECR I-4135 (Bull. 6-2003, point 1.8.53).

## Freedom to provide services

1077. *Hospital and non-hospital care.* In a judgment of 13 May <sup>(1)</sup>, the Court confirmed its case-law regarding the requirement for prior authorisation for reimbursement of the costs of hospital and non-hospital care dispensed in another Member State. Under the Netherlands sickness insurance scheme, care is provided free of charge to insured persons by providers (doctors or hospitals) which have concluded agreements with the sickness funds (benefits in kind). Patients may as a rule receive medical care, either in the Netherlands or abroad, from non-contracted practitioners or establishments only after they have obtained prior authorisation. Authorisation is subject to the condition that the care is necessary and cannot be provided ‘without undue delay’ by a national contracted doctor. In both cases examined by the Court, the sickness fund refused to reimburse the medical expenses on the ground that necessary and appropriate medical care could be obtained in the Netherlands within a reasonable time. The Court commenced by emphasising that achievement of the fundamental freedoms guaranteed by the Treaty inevitably requires Member States to make some adjustments to their systems of national social security, without this being considered to undermine their sovereign powers in this field. It found that the Netherlands legislation constitutes a barrier to freedom to provide services both for the insured persons and for the providers. It then went on to consider whether the barrier could be justified. Its ruling makes it clear that the medical needs of the patient must be taken into account. In the case of hospital care, the Court expanded on its 2001 judgment in *Smits and Peerbooms* and ruled that prior authorisation may be refused only if treatment which is the same or equally effective can be provided to the patient without undue delay in a contracted establishment. National authorities must take account not only of the patient’s actual medical condition and, where appropriate, the degree of suffering or the nature of the patient’s disability, which might, for example, make it impossible or extremely difficult to carry out a professional activity, but also of his medical history. In the case of non-hospital care, the Court considered that the arguments put before it did not show that removal of the requirement for prior authorisation for non-hospital care would give rise to patients travelling to other countries in such large numbers (despite linguistic barriers, geographical distance, the cost of staying abroad and lack of information about the kind of care), that the financial balance of the Netherlands social security system would be seriously undermined, or that the overall level of public-health protection would be jeopardised, something which could have constituted proper justification for a barrier to the fundamental principle of freedom to provide services.

## State aid and public services

1078. *Financial support for public services.* Asked to give a preliminary ruling on the granting of licences and subsidies for local passenger transport by bus, the Court delivered judgment on 24 July <sup>(2)</sup>. In 1990 Altmark obtained licences and subsidies for local passen-

<sup>(1)</sup> Case C-385/99 *K.G. Juffer-Fauré v Onderlinge Waarborgmaatschappij OZ Zorgverzekeringen UA and E.E.M. van Riet v Onderlinge Waarborgmaatschappij ZAO Zorgverzekeringen* (2003) ECR I-4509 (Bull. 6-2003, point 1.8.54).

<sup>(2)</sup> Case C-280/00 *Altmark Trans GmbH* (Bull. 9-2003, point 1.8.40).

ger transport by bus. In 1994 the German authorities renewed Altmark's licences and rejected a competitor's application for licences. The latter then brought proceedings before the German courts, claiming that Altmark had received State aid in breach of the EC Treaty.

Considering first the conditions laid down by the Treaty, the Court found that the question of whether such subsidies were capable of affecting trade between Member States did not depend on the local or regional character of the transport services supplied or on the scale of the field of activity concerned. A subsidy to a local undertaking may mean that competitors from other Member States have less chance of providing the same service.

The Court then observed that it was settled case-law that, for State assistance to be classified as aid within the meaning of the EC Treaty, it had to be capable of being regarded as an 'advantage' conferred on the recipient undertaking which the latter would not have obtained under normal market conditions. The Court confirmed, in principle, its 2001 ruling in *Ferring* <sup>(1)</sup> and held that there is no such 'advantage' where the State's financial assistance must be regarded as compensation for the services provided by the recipient undertakings in order to discharge public service obligations.

However, for such compensation to escape classification as State aid in a particular case, four conditions must be simultaneously satisfied:

- the recipient undertaking must actually have public service obligations to discharge, and the obligations must be clearly defined;
- the parameters on the basis of which the compensation is calculated must be established in advance in an objective and transparent manner;
- the compensation cannot exceed what is necessary to cover all or part of the costs incurred in the discharge of public service obligations, taking into account the relevant receipts and a reasonable profit;
- where the undertaking is not chosen in a public procurement procedure, the level of compensation must be determined on the basis of an analysis of the costs which a typical undertaking, well run and adequately provided with means of transport, would have incurred (taking into account the relevant receipts and a reasonable profit for discharging the obligations).

Only if these four conditions are satisfied may it be considered that an undertaking has not received State aid within the meaning of the EC Treaty.

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(1) Case C-53/00 *Ferring* (2001) ECR I-9067.

## Protecting the Community's financial interests

1079. *Investigations carried out by the European Anti-Fraud Office (OLAF)*. In this judgment of 10 July <sup>(1)</sup>, the Court considered two actions brought by the Commission for annulment of decisions by the European Central Bank (ECB) and the European Investment Bank (EIB), which, taking the view that Regulation (EC) No 1073/1999 concerning investigations conducted by OLAF did not apply to them, had reserved the power to conduct investigations within their organisations for their own internal audit departments.

The Court pointed out that the ECB and EIB were established by the EC Treaty, which granted them independence for the purpose of carrying out the tasks assigned to them. However, the purpose of that autonomy was not to set them completely apart from the European Community and exempt them from every rule of Community law.

The Court found, furthermore, that neither the ECB nor the EIB had shown how the investigative powers conferred on the European Anti-Fraud Office (OLAF) affected their ability to perform their specific tasks independently. Although OLAF was established by the Commission and was incorporated into the framework of that institution, the Community legislature had provided for guarantees intended to ensure that OLAF was fully independent and was required to comply with Community law. In addition, OLAF's powers were clearly defined and delineated. A decision to open an investigation accordingly had to be based on sufficiently serious suspicions.

The Court accordingly annulled the two decisions preventing application of Regulation (EC) No 1073/1999 to the ECB and EIB.

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<sup>(1)</sup> Cases C-11/00 *Commission v ECB* and C-15/00 *Commission v EIB* (Bull. 9-2003, point 1.8.39).

*Section 3***Computerisation of Community law**

1080. *Information systems.* Work continued on improving the two public services administered by the Office for Official Publications of the European Communities which provide access to European Union law, EUR-Lex <sup>(1)</sup> and CELEX <sup>(2)</sup>, with a view to enlargement and to providing free access to CELEX, as requested by the European Parliament. These two major undertakings require that the services' distribution architecture be renewed.

In 2003 the Publications Office expanded the coverage of EUR-Lex and CELEX and added new functions: currently, all consolidated legislation is available on EUR-Lex (latest consolidated version) and on CELEX (all successive layers of consolidation). The Publications Office also improved access to the texts of the Treaties by making all of the original versions accessible in all of the languages available, including Irish. The EUR-Lex portal was also enhanced with a new section on legislative drafting containing the 'Joint practical guide' for persons involved in the drafting of legislation, its annexes, and links to relevant national sites. The Publications Office also developed and implemented a personalised notification system for CELEX and a new interface for searches in 'expert' mode.

In order to make useful information available to citizens of the future Member States as quickly as possible, since July the body of Community law in the new languages is being added to EUR-Lex in advance, on a provisional basis, as and when the versions authenticated by the Council's and the Commission's legal services are submitted for publication in the special editions of the *Official Journal of the European Union*.

1081. *Statistics.* The statistics on the number of documents consulted show that use of EUR-Lex and CELEX is continuing to grow: 60 million documents were viewed via CELEX, compared to 45 million in 2002, while 140 million documents were viewed using EUR-Lex.

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<sup>(1)</sup> <http://europa.eu.int/eur-lex/>.

<sup>(2)</sup> <http://europa.eu.int/celex/>.

# Institutions and other bodies

## Section I

### Composition and functioning

#### European Parliament <sup>(1)</sup>

1082. *Composition of Parliament.* The distribution of the 626 seats among the political groups at 31 December was as follows:

- European People's Party (Christian Democrats) and European Democrats (PPE-DE), chaired by Mr Poettering 232
- Party of European Socialists (PES), chaired by Mr Barón Crespo 175
- European Liberal Democrat and Reform Party (ELDR), chaired by Mr Watson 53
- Confederal Group of the European United Left/Nordic Green Left (GUE/NGL), chaired by Mr Wurtz 49
- Greens/European Free Alliance (Verts/ALE), chaired by Mr Cohn-Bendit and Ms Frassoni 45
- Union for Europe of the Nations Group (UEN), chaired by Mr Pasqua 23
- Europe of Democracies and Diversities (EDD), chaired by Mr Bonde 18
- Non-affiliated (NI) 31

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<sup>(1)</sup> <http://www.europarl.eu.int/default.htm>.

**1083. *Internal organisation.*** Since the May session, observers from the acceding countries have had seats in Parliament. On 14 May Parliament adopted a resolution on the estimates of its revenue and expenditure for the financial year 2004 (→ point 1022). On 19 June it adopted a resolution on the statute and financing of European political parties. On 23 September, Parliament adopted a resolution on the activities and legal situation of the political groups. On 6 November it adopted a resolution on balanced representation for women and men in the 2004 elections. In April Parliament adopted its timetable of sessions for 2004, with 10 sessions planned in Strasbourg and four in Brussels (confirming that Fridays would be cancelled). In November Parliament adopted the proposal by the Conference of the Presidents of the political groups to establish a temporary committee on improving safety at sea.

Two resolutions on the statute for members of the European Parliament were adopted on 4 June and 18 December <sup>(1)</sup>. The members reached a compromise on this point which requires the Member States to revise the Protocol on the Privileges and Immunities of the European Communities. It includes a pension provision for members from the age of 63.

**1084. *Relations with the other institutions.*** In its relations with the other institutions and bodies, Parliament drew up resolutions on the preparation and analysis of the decisions taken by the Brussels European Councils (spring <sup>(2)</sup>, October <sup>(3)</sup> and December <sup>(4)</sup>) and the Thessaloniki European Council <sup>(5)</sup>. It also debated the work programmes and results of the Greek and Italian Presidencies, the 2002 report of the activities of the European Central Bank (→ point 112), presented by Mr Duisenberg <sup>(6)</sup>, the 2002 annual report of the Court of Auditors (→ point 1109), presented by Mr Fabra Vallés, and the activities of the European Bank for Reconstruction and Development (EBRD) (→ point 138), in the presence of Mr Lemierre. It also adopted resolutions on the election of the President of the Commission by the European Parliament (→ point 1100), appointment of a member of the board of the European Central Bank (ECB) (→ point 1113), the appointment of Mr Trichet as President of the European Central Bank (→ point 1113), the recommendation of the ECB on the amendment of the statutes of the European system of central banks and the European Central Bank (→ point 112), the amendment of the statute of the Court of Justice (→ point 1105), the election of the European Ombudsman, Mr Diamandouros (→ point 551), the 2002 activity report presented by Mr Diamandouros (→ point 553), the evaluation of the activities of the European Anti-Fraud Office (→ point 1059), the provisions relating to the committees assisting the Commission (→ points 37 to 40), the powers of implementation conferred on the Commission (→ points 37 to 40), public access to European Parliament, Council and Commission documents (→ point 21), the opening to the public of the historical archives of the EEC and Euratom (→ point 1170), the informa-

<sup>(1)</sup> Bull. 12-2003, point 1.1.11.

<sup>(2)</sup> Bull. 3-2003, point 1.1.4.

<sup>(3)</sup> Bull. 10-2003, point 1.1.3.

<sup>(4)</sup> Bull. 12-2003, point 1.1.1.

<sup>(5)</sup> Bull. 7/8-2003, point 1.1.1.

<sup>(6)</sup> Bull. 7/8-2003, point 1.3.5.

tion and communication strategy for the European Union (→ points 1158 to 1165), the application of Community law (2000–01 reports) (→ points 1068 and 1069), the amendment of the constituent acts of several Community agencies following the adoption of the new financial regulation on the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities (→ point 1052), recruitment of EC officials on enlargement (→ points 1138 and 1139), European networks and the Info-Points Europe (→ points 1159 and 1160). On 11 March Mr Prodi, President of the Commission, also presented the 2004 annual policy strategy (APS) (→ point 1101) and on 18 November he presented the Commission's legislative and work programme for 2004 (→ point 1102).

**1085.** *Institutional affairs and the future of the Union.* Parliament adopted resolutions on European governance (→ points 23 to 27), the role of regional and local authorities in European integration (→ point 25), the outcome of the European Council concerning the Lisbon strategy (→ point 1094), the action plan on 'Simplifying and improving the regulatory environment' and the environmental agreements concluded in the framework of this action plan (→ points 28 to 30), the open coordination procedure (→ points 26), the Commission's 2000 and 2001 reports to the European Council on 'Better lawmaking' and the interinstitutional agreement on 'Better lawmaking' (→ points 41), the draft Treaty establishing a Constitution for Europe and the European Parliament's opinion on the convening of the Intergovernmental Conference (→ points 10 and 16). On 3 September Mr Giscard d'Estaing presented the draft Constitution that emerged from the Convention.

**1086.** *Budget.* In May Ms Schreyer, Member of the Commission, presented the preliminary draft budget for 2004. Parliament completed both readings of the 2003 draft budget, which was signed by the President, Mr Cox, on 18 December. Parliament adopted resolutions on the reform of the budgetary procedure with a view to the revision of the Treaties (→ point 1020), the introduction of a financial framework in the draft Constitutional Treaty (→ point 1020) and in the draft Accession Treaty (→ point 1017), the reform of the clearance procedure for EAGGF accounts (→ point 471), the follow-up to the 2000 discharge (→ point 1045), the guidelines for the 2004 budgetary procedure (→ point 1022), adapting the financial perspective to take account of enlargement, presented by Ms Schreyer in February (→ point 1017), the reform of the budgetary procedure (→ point 1022), the 2004 budget ahead of the conciliation procedure before the Council's first reading (→ point 1029), the draft budget of the European Union for the 2003 financial year (→ point 1031), the implementation of the 2003 budget (→ point 1035), building public budgets from a gender perspective (→ point 180) and future budget requirements for external actions (→ point 1019).

At its part-session from 7 to 10 April, it granted discharge to the Commission for the 2001 financial year in respect of the implementation of the general budget of the European Union (→ point 1046) and the budgets of the sixth, seventh and eighth European Development Funds, the European Centre for the Development of Vocational Training, the

European Foundation for the Improvement of Living and Working Conditions, the European Agency for the Reconstruction of Kosovo and the ECSC (→ point 1047).

Parliament adopted amending budget No 1 on 19 June (→ point 1036), No 2 on 1 July (→ point 1037), No 3 on 3 September (→ point 1038), No 4 on 23 September (→ point 1039), Nos 5 and 6 on 9 October (→ point 1040) and Nos 7 (→ point 1041) and 8 (→ point 1042) on 4 December.

**1087. *Economic and financial affairs.*** Parliament approved resolutions on the World Economic Forum (Davos) and the World Social Forum (Porto Alegre), the state of the European economy (→ point 101), the annual assessment of implementation of stability and convergence programmes (→ point 108), public finances in EMU (2002) (→ point 111), protection of financial interests and the fight against fraud (2001 report) (→ point 1058), the criminal-law protection of the financial interests of the Community and the establishment of a European Prosecutor (→ point 1060), the broad guidelines of the economic policies of the Member States and the Community (2003–05) (→ point 103), the international role of the euro zone (→ point 117), administrative cooperation in the field of VAT (→ point 212), mutual assistance by the competent authorities of the Member States in the field of direct and indirect taxation, the adequacy of banks' own funds (Basle II) (→ point 206) and a second progress report on economic and social cohesion (→ point 405).

**1088. *Internal policies.*** The main internal policy topics which Parliament debated in 2003 were the internal market, the environment, research, transport, space, industry, energy, development cooperation, fisheries, agriculture, public health, biotechnology, food safety, regional policy, competition, education, culture, sport, tourism, social policy, employment, the information society and telecommunications, consumer protection, equal opportunities and the Solidarity Fund. Declarations were made on SARS (severe acute respiratory syndrome) by Commissioner Byrne in April and Mr Stefanis, on behalf of the Greek Presidency of the Council, in May.

In the field of justice and home affairs, Parliament gave its opinion on the progress made in 2002 in implementing the area of freedom, security and justice (→ point 500) and the situation as regards fundamental rights in the European Union (→ point 85), drug-trafficking (→ point 541), combating racism and xenophobia (→ point 174), the fight against crime (→ points 534 to 539), combating terrorism (→ point 540), judicial cooperation in civil matters (→ point 514), police and judicial cooperation in criminal matters (→ points 518 to 528), asylum and immigration policy (→ point 505) and checks at the common borders (→ point 501); and the fight against corruption (→ point 526).

**1089. *Enlargement.*** Parliament focused mainly on enlargement, giving its assent in April for the accession of the 10 candidate countries (→ point 44). In the same field, it also adopted a resolution on enlargement and cultural diversity (→ point 567) and examined Turkey's application for membership of the European Union (→ point 52).

1090. *External relations.* Several times Parliament debated the situation in Iraq (→ point 900). Regarding the Middle East, in October it adopted a report on peace and dignity (→ point 890).

Parliament also discussed the situation in a number of countries, notably Afghanistan, India (→ point 948), Nepal (→ point 954), Vietnam (→ points 92 and 956), Cambodia (→ point 949), Kazakhstan (→ point 92), Myanmar (→ point 953), Indonesia (→ points 92 and 950) and Sri Lanka (→ point 947); North Korea (→ point 937), Chechnya (→ point 915), Venezuela (→ point 979), the Philippines (→ point 92), Togo (→ point 92), Turkey (→ point 92), Laos (→ point 951), China (→ point 957), Uganda (→ point 999) and Guatemala (→ point 92); the Former Yugoslav Republic of Macedonia (→ point 879); Nigeria (→ points 92 and 998), Zimbabwe (→ points 92, 984 and 1000), Liberia (→ point 998), Burundi (→ point 92), Equatorial Guinea (→ point 1000) and Congo (→ point 1000). Parliament also gave its opinion on relations with Russia (→ point 915), Cuba (→ point 92) and Canada (→ point 932), the situation in Iran (→ point 899), the northern dimension of the Union's policies (2004–06 action plan) (→ point 919), the new neighbourhood in a wider Europe (→ point 1012), the meeting of the troika with the countries participating in the Stability Pact for South-Eastern Europe (→ point 865), the annual report on the stabilisation and association process for south-east Europe (→ point 868), support for the United Nations Interim Mission in Kosovo and the Office of the High Representative in Bosnia and Herzegovina (→ point 865), the transatlantic partnership (→ point 925), MEDA (→ point 881), macrofinancial assistance to third countries (→ point 120), the role of the Union in conflict prevention in Africa, the International Criminal Court (→ point 758) and arms exports (→ point 758). At the March part-session Mr Prodi and Mr Patten, President and Member of the Commission respectively, presented the Commission communication on relations with the new neighbouring countries after enlargement (→ point 1012).

In the field of *trade policy*, Parliament looked at the WTO (→ points 781 to 783), trade and development (→ point 826) and regional free-trade areas (→ point 784).

In the field of *development policy*, Parliament gave its opinion on humanitarian aid (2000 annual report), world hunger and the elimination of barriers to trade with the poorest countries, capacity-building and poverty reduction in developing countries (→ point 812), health and poverty reduction in developing countries (→ point 816), the European Community's development policy and the implementation of external assistance (2001 annual report) (→ point 813), the participation of non-State actors in the Community's development policy (→ point 820), the untying of development aid (→ point 815) and the EU's contribution to the Johannesburg World Summit for Sustainable Development plan of implementation (→ point 832).

As regards the *common foreign and security policy* (→ point 759), it gave its opinion on the new European security and defence architecture and on the 2002 annual report on the main aspects and basic choices of the CFSP (→ point 754).

As regards *human rights*, it adopted a number of resolutions concerning, notably, the 59th session of the UN Commission on Human Rights in Geneva (→ point 94), human rights in the world in 2002 (→ point 91), torture, the universal moratorium on the death penalty and the situation in several countries.

At the December plenary session, the Sakharov Prize was awarded to Mr Kofi Annan, Secretary-General of the United Nations, and to all the staff of the United Nations. It will be presented in January 2004 (→ point 89).

The President of the Former Yugoslav Republic of Macedonia, Mr Trajkovski, addressed Parliament in April, as did the President of Poland, Mr Kwañniewski, in May, the President of Algeria, Mr Bouteflika, in June, the President of Romania, Mr Iliescu, in September, the President of Latvia, Ms Vike-Freiberga, and the President of Senegal, Mr Wade, in October, and the President of Lithuania, Mr Paksas, and the President of Ireland, Ms McAleese, in November.

1091. *Questions to the Commission and the Council.* Parliament addressed 4 368 questions to the Commission: 3 754 written questions, 53 oral questions with debates and 561 during question time. Parliament addressed 669 questions to the Council: 334 written questions, 32 oral questions with debates and 303 during question time.

1092. *Parliament's work.* A breakdown of Parliament's work in 2003 is given in Table 28. At 31 December the establishment plan of Parliament's Secretariat comprised 3 367 permanent posts and 594 temporary posts. The figures for legislative instruments adopted in co-decision with the Council are set out in Table 29.

## Council <sup>(1)</sup>

1093. *Extraordinary Brussels European Council (17 February)* <sup>(2)</sup>. The European Council held an extraordinary meeting, chaired by Mr Simitis, Prime Minister of Greece and President of the Council, to discuss the crisis in Iraq (→ point 900). Its members also met the UN Secretary-General, Kofi Annan, and the President of the European Parliament, Pat Cox. Reiterating that the EU's objective remained the full and effective disarmament of Iraq in accordance with the relevant resolutions of the UN Security Council, the Council declared that the onus was on the Iraqi regime to put an end to the crisis by complying with the demands of the Security Council. It stressed that the United Nations had to remain at the heart of the international order and reasserted the commitment of the European Union to working with its partners, especially the United States, for the disarmament of Iraq and for peace and stability in the region.

<sup>(1)</sup> <http://ue.eu.int/en/summ.htm>.

<sup>(2)</sup> Bull. 1/2-2003, point I.1 and I.2; Internet (<http://ue.eu.int/en/info/eurocouncil/>).

Table 28

## Parliamentary proceedings from January to December — Resolutions and decisions adopted

Part-session	Consultations (single reading)	Co-decision procedure			Assent	Other opinions ( <sup>1</sup> )	Budget questions	Own-initiative reports and resolutions			Miscellaneous decisions and resolutions ( <sup>4</sup> )
		First reading	Second reading	Third reading				Reports	Resolutions ( <sup>2</sup> )	Urgent subjects ( <sup>3</sup> )	
January I		7		1	1	3		6	4	3	
January II		1		2			1	1	5		
February	6	7			1	4		3	6	3	
March I	7	4	4		1	6	2	7	5	3	
March II	15	2		1		1		2	3		
April	12	6	5	1	11	1	14	6	2	3	1
May	8	5	3	2		1	1	6	4	3	
June I	14	7	5			3		12	3	3	
June II	2	2	6			1	1	7	2		
July	2	5	21				3	4	5	3	3
September I	7	9	2			2	1	18	2	3	
September II	10	5	2				1	9	2		2
October I	3	2	1				1	2	2		2
October II	6	10	8				2	7	3	3	
November I	1	4					5	5	1		
November II	15	7		2		1		8	4	3	
December I	10	2					2	6	2		4
December II	11	9	10	2	2		1	5	6	3	3
<b>Total</b>	<b>129</b> ( <sup>5</sup> )	<b>94</b> ( <sup>6</sup> )	<b>67</b> ( <sup>7</sup> )	<b>11</b>	<b>16</b>	<b>23</b>	<b>35</b>	<b>114</b>	<b>61</b>	<b>33</b>	<b>15</b>

(<sup>1</sup>) Mainly opinions on Commission reports or communications.

(<sup>2</sup>) Resolutions in response to statements by other institutions or following oral questions.

(<sup>3</sup>) Resolutions on topical and urgent subjects of major importance.

(<sup>4</sup>) Decisions concerning waiver of immunity, amendments to the rules of procedure and interinstitutional agreements.

(<sup>5</sup>) Including 76 cases in which Parliament proposed amendments to the Commission proposal.

(<sup>6</sup>) Including 77 cases in which Parliament proposed amendments to the Commission proposal.

(<sup>7</sup>) Including 49 cases in which Parliament amended the Council's common position.

**Table 29****Legislative instruments enacted, repealed or expiring in 2003 <sup>(1)</sup>**

Enacting institutions	Number of instruments	Regulations	Directives	Decisions	Recommendations
Parliament and Council	Enacted in 2003	35	41	9	0
	Repealed or expiring in 2003	1	8	5	0
Council alone	Enacted in 2003	154	19	30	12
	Repealed or expiring in 2003	69	38	25	0
Commission	Enacted in 2003	648	61	560	24
	Repealed or expiring in 2003	328	33	122	3

<sup>(1)</sup> Data retrieved on 19.1.2004 from CELEX, the interinstitutional computerised documentation system on Community law (→ points 1080 and 1081), excluding instruments not published in the Official Journal and instruments listed in light type (routine management instruments valid for a limited period).

**1094.** *Brussels European Council (20 and 21 March)* <sup>(1)</sup>. At its third spring meeting on developing the strategy outlined in Lisbon in March 2000 in the field of economic, social and environmental development, the European Council reviewed the progress made in implementing the Lisbon objectives. The meeting was preceded by the first Tripartite Social Summit for Growth and Employment (→ point 170). The European Council noted the significant results that had been achieved in the areas of action covered by the strategy, for example in opening up energy markets (→ point 641), creating a single European sky (→ point 695), modernising competition policy (→ point 235), putting in place an integrated Europe-wide financial market, establishing a Community patent (→ point 227), as well as the creation of five million jobs since the start of the Lisbon strategy (→ point 149). The Council also identified a series of priorities intended to speed up the reforms associated with the strategy for employment, competitiveness and the environment and a set of measures to be taken over the next 12 months. It welcomed the efforts to finalise the Treaty and Act of Accession for the new Member States. On the external relations front, it focused on Iraq, the western Balkans, Cyprus and North Korea.

**1095.** *Thessaloniki European Council (19 and 20 June)* <sup>(2)</sup>. The European Council welcomed the draft Constitutional Treaty presented by Mr Giscard d'Estaing, Chairman of the Convention on the Future of the European Union (→ point 6). It stressed the need for a more structured approach to immigration, frontiers and asylum (→ point 505). In this context, the European Council approved various initiatives on visa policy, the management of external borders and the potential development of a common European asylum system. On the question of enlargement (→ point 44), it welcomed the results of the referendums that had taken place in the future Member States and sent a positive message on enlargement to Bulgaria and Romania (→ points 48 and 49). It reiterated its support for the prospect of European integration for the countries of the western Balkans (→ point 862) and its commitment to developing

<sup>(1)</sup> Bull. 3-2003, point 1.1 to 1.49; Internet (<http://ue.eu.int/en/info/eurocouncil/>).

<sup>(2)</sup> Bull. 6-2003, point 1.1 to 1.56; Internet (<http://ue.eu.int/en/info/eurocouncil/>).

close relations with its new neighbours. As part of the follow-up to its spring meeting, the European Council endorsed the draft broad economic policy guidelines and guidelines for employment, welcoming in particular the adoption of the 'tax' and 'energy' packages and the agreement reached on the second 'rail' package. On the external relations front, it issued statements about relations with North Korea, the United States and Iran. It voiced concerns about the fight against terrorism and the proliferation of weapons of mass destruction and expressed the hope that further progress could be achieved in the area of the common foreign and security policy and the European defence policy.

1096. *Brussels European Council (16 and 17 October)* <sup>(1)</sup>. At this meeting the European Council reaffirmed its support for the work of the Intergovernmental Conference. In economic matters, it emphasised the need to pursue sound macroeconomic policies, accelerate structural reforms and promote investment in infrastructures and human capital. More specifically, it supported the construction of transport infrastructures (→ point 664), the development of an integrated market in electricity and gas, the mobilisation of investment in innovation, research and development, and education and training structures. In terms of the competitiveness of the European economy, the European Council emphasised action in the internal market (financial services, Community patent, takeover bids) and to support industry, research and technology. It also drew attention to the need for effective social policies and for initiatives to enhance environmental protection and sustainable development. In the field of justice and home affairs, the European Council stressed the importance of more effective management of borders in an enlarged Europe. The European Council also covered matters of external relations.

1097. *Brussels European Council (12 and 13 December)* <sup>(2)</sup>. At this meeting, the European Council approved, in the field of the economy, the European action for growth and welcomed the work of the task force (→ point 151). As far as the freedom, security and justice chapter was concerned, the European Council appreciated the progress made on setting up a European Agency for the Management of Operational Cooperation at the External Borders (→ point 501), and the measures adopted to combat illegal immigration; it adopted the European security strategy (→ point 754), and the EU strategy against the proliferation of weapons of mass destruction (→ point 758) and welcomed the progress made on the European security and defence policy (ESDP). With regard to enlargement, the European Council called on the future Member States to intensify and complete their preparations for accession, and gave its opinion on the accession of Bulgaria and Romania, and on the case of Turkey and the Cyprus problem. In the field of external relations, the work focused on: the western Balkans and the Euro-Mediterranean partnership, the Middle East, Iraq, transatlantic relations and relations with the Russian Federation, terrorism, the Arab world, Ukraine, China, Latin America and the Caribbean, Africa, North Korea and 'green diplomacy'. The European Council also adopted the first Council multiannual strategic programme, covering the period 2004–06 <sup>(3)</sup>.

<sup>(1)</sup> Bull. 10-2003, point I.1 to I.35; Internet (<http://ue.eu.int/en/info/eurocouncil/>).

<sup>(2)</sup> Bull. 12-2003, point I.1 to I.32; Internet (<http://ue.eu.int/en/info/eurocouncil/>).

<sup>(3)</sup> Bull. 12-2003, point I.34.

The programme, while providing a framework and time lines for implementing commonly agreed priorities and specific objectives, may nonetheless be subject to adjustment.

1098. *Council meetings and activities.* The Council held 77 meetings in 2003. Figures for the legislative instruments enacted this year are set out in Table 29 at the end of this section.

1099. *Establishment plan.* At 31 December the Council's establishment plan comprised 2 487 permanent posts and 51 temporary posts.

## Commission <sup>(1)</sup>

1100. *Election of the President of the Commission.* In a declaration issued on 16 January <sup>(2)</sup>, Parliament called on the European Convention to include in the Constitution the principle that the President of the Commission should be elected by the European Parliament.

1101. *Annual policy strategy (APS).* In a communication of 21 January <sup>(3)</sup>, the Commission presented a review of the implementation of activity-based management in the Commission in 2002 and proposed a number of clarifications of the methodology for establishing the annual activity reports. On 5 March <sup>(4)</sup> it set out its annual policy strategy for 2004. This carries over the priorities identified for 2003 <sup>(5)</sup>: successful enlargement, the creation of a sustainable and inclusive economy, and the maintenance of stability and security for the citizens of the European Union. For the first time it also provided for closer dialogue with the European Parliament and the Council and the inclusion of impact analyses for key priority-related initiatives. On 9 July <sup>(6)</sup> the Commission presented a synthesis of the 2002 annual activity reports of DGs and services, in which it examined the results achieved in terms of the objectives set in the 2002 annual policy strategy <sup>(7)</sup>.

1102. *Work programme* <sup>(8)</sup>. On 29 October the Commission proposed its legislative and work programme for 2004, produced after a preparatory dialogue with Parliament and the Council <sup>(9)</sup>, which sets out the Commission's priorities, perspectives and key challenges for 2004, as well as the legislative proposals and non-legislative acts likely to be presented in 2004. Based on the Commission's annual policy strategy for 2004 (→ point 1101), the programme represents the final phase of the planning and programming cycle embarked on in 2003 and identifies the Commission's policy priorities for 2004: the accession of the

<sup>(1)</sup> [http://europa.eu.int/comm/index\\_en.htm](http://europa.eu.int/comm/index_en.htm).

<sup>(2)</sup> Bull. 1/2-2003, point 1.1.12.

<sup>(3)</sup> COM(2003) 28; Bull. 1/2-2003, point 1.10.15.

<sup>(4)</sup> COM(2003) 83; Bull. 3-2003, point 1.9.14.

<sup>(5)</sup> 2002 General Report, point 1093.

<sup>(6)</sup> COM(2003) 391; Bull. 7/8-2003, point 1.9.7.

<sup>(7)</sup> 2001 General Report, point 1210.

<sup>(8)</sup> [http://europa.eu.int/comm/off/work\\_programme/index\\_en.htm](http://europa.eu.int/comm/off/work_programme/index_en.htm).

<sup>(9)</sup> COM(2003) 645; Bull. 10-2003, point 1.9.11.

10 new Member States, stability and sustainable growth. It also refers back to the four objectives established at the beginning of the Commission's term of office <sup>(1)</sup>. The legislative and work programme also contains a list of proposals on which the Commission will conduct in-depth impact assessments in 2004 and a list of Commission proposals awaiting action by the legislative authority in 2004. Finally, the programme lays down a framework for priority action on simplification for 2004 and for completion of the Commission's codification of legislation programme by the end of 2005.

1103. *Legislative activity.* The Commission met 45 times during the year. It sent 491 proposals for directives, regulations and decisions, and three recommendations. It also presented 459 communications and reports, and six green papers. In addition to the new initiatives, programmes and action plans adopted by the Commission, the debates launched and the ongoing activities pursued under its work programme for 2004, these figures include proposals for routine management instruments (for example, in agriculture, fisheries, customs and commercial policy) and proposals for consolidating existing legislation. The figures for legislative instruments adopted by the Commission are set out in Table 29 at the end of this section.

1104. *Establishment plan.* The Commission's establishment plan for 2003 comprised: 16 260 permanent posts (including 1 185 posts for the Language Service) and 459 temporary posts (including six for the Language Service) for administrative duties; 3 556 permanent posts for research duties; 519 permanent posts for the Publications Office; 173 permanent posts and 127 temporary posts for the European Anti-Fraud Office; 1 219 permanent posts for the offices created in 2002; 35 permanent posts and 48 temporary posts for the European Centre for the Development of Vocational Training; 88 permanent posts for the European Foundation for the Improvement of Living and Working Conditions.

Under the secondment and exchange arrangements between the Commission and the Member States' government departments, 52 Commission officials (24.8 person/years) were seconded to national civil services and international organisations, and the number of national experts coming to work for Commission departments was equivalent to 932.4 person/years.

Matters relating to the committees that assist the Commission in the exercise of its implementing powers are dealt with in Section 9 ('Implementing powers conferred on the Commission') of Chapter I (→ points 37 to 39).

## **Court of Justice and Court of First Instance <sup>(2)</sup>**

1105. *Reform of the statute of the Court of Justice.* On 15 July <sup>(3)</sup>, the Council decided to amend Article 23 of the protocol on the statute of the Court of Justice to bring it into line

<sup>(1)</sup> 2000 General Report, point 1151.

<sup>(2)</sup> <http://curia.eu.int/>.

<sup>(3)</sup> Decision 2003/527/EC (OJ L 188 of 26.7.2003; Bull. 7/8-2003, point 1.9.10).

with Decision 2002/653/EC on the participation by non-member States in preliminary-ruling proceedings <sup>(1)</sup>. The Commission gave its opinion, on 10 November <sup>(2)</sup>, on the request to amend Articles 51 and 54 of the statute of the Court of Justice, presented by the Court in accordance with the second paragraph of Article 245 of the EC Treaty, in order to change the division of jurisdiction between the Court of Justice and the Court of First Instance in the area of direct actions, within the meaning of Article 225(1) of the EC Treaty.

**1106.** *Composition of the Chambers of the Court of Justice.* On 23 July the conference of representatives of the governments of the Member States adopted a decision appointing judges and advocates-general to the Court of Justice of the European Communities for the period from 7 October 2003 to 6 October 2009. On 7 October, Mr Skouris was elected President of the Court of Justice for the same period, succeeding Mr Rodriguez Iglesias. The new members of the Court took the oath at a formal sitting on 6 October.

From 10 October:

- First Chamber: Mr Jann, President of the Chamber  
Ms Silva de Lapuerta, Mr Rosas, Mr Edward, Mr La Pergola, Mr Von Bahr and Mr Lenaerts, judges
- Second Chamber: Mr Timmermans, President of the Chamber  
Ms Macken and Ms Colneric, Mr Gulmann, Mr Cunha Rodrigues, Mr Puissochet and Mr Schintgen, judges
- Third Chamber: Mr Rosas, President of the Chamber  
Ms Colneric, Mr Edward and Mr Schintgen, judges
- Fourth Chamber: Mr Cunha Rodrigues, President of the Chamber  
Ms Macken, Mr Puissochet and Mr Lenaerts, judges
- Fifth Chamber: Mr Gulmann, President of the Chamber  
Ms Silva de Lapuerta, Mr La Pergola and Mr Von Bahr, judges

**1107.** *Composition of the Chambers of the Court of First Instance.* For the 2003/04 court year:

- First Chamber: Mr Vesterdorf, President of the Court  
Mr Mengozzi and Mr Martins Ribeiro, judges
- Second Chamber: Mr Pirrung, President of the Chamber  
Mr Meij and Mr Forwood, judges

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<sup>(1)</sup> OJ L 218, 13.8.2002; 2002 General Report, point 1098.

<sup>(2)</sup> COM(2003) 660; Bull. 11-2003, point 1.9.19.

- Third Chamber: Mr Azizi, President of the Chamber  
Mr Jaeger and Mr Dehousse, judges
- Fourth Chamber: Mr Legal, President of the Chamber  
Mr Tiili and Mr Vilaras, judges
- Fifth Chamber: Ms Lindh, President of the Chamber  
Mr Garcia-Valdecasas and Mr Cooke, judges

1108. *Establishment plan.* At 31 December the establishment plan of the Court of Justice and the Court of First Instance comprised 862 permanent posts and 278 temporary posts.

### **Court of Auditors <sup>(1)</sup>**

1109. *Annual Report for 2002* <sup>(2)</sup>. On 18 November, the Court of Auditors published its 2002 annual report. The Court considered that the accounts of the European Communities drawn up by the Commission were an accurate reflection of the revenue and expenditure for 2002, as were those on the financial situation at the end of the year. It welcomed the 2002 action plan on the modernisation of the accounts and gave its opinion on the timetable, considered ambitious, for implementing the reforms. The Court was of the opinion that the transactions underlying the accounts were legal and regular in respect of own resources, commitments, administrative expenditure and pre-accession aid, although the supervisory systems and controls were particularly in need of strengthening. It also gave its opinion on the financial statements in the following fields: agricultural policy, structural measures, internal policies, pre-accession aid, external actions, the European Development Funds, administrative expenditure, revenue and administrative reform.

1110. *Special reports.* In 2003, the Court published 15 special reports. They dealt with the prefinancing of export refunds <sup>(3)</sup>, the implementation of the food security policy in developing countries financed by the general budget of the European Union <sup>(4)</sup>, the invalidity pension scheme of the European institutions <sup>(5)</sup>, rural development and support for less-favoured areas <sup>(6)</sup>, Phare and ISPA funding of environmental projects in the candidate countries <sup>(7)</sup>, town twinning as the main instrument to support institution-building in candidate countries <sup>(8)</sup>, the implementation of assistance programming for the period 2000–06 within the framework of the Structural Funds <sup>(9)</sup>, the execution of infrastructure work financed by the

<sup>(1)</sup> <http://www.eca.eu.int/>.

<sup>(2)</sup> [http://www.eca.eu.int/EN/reports\\_opinions.htm](http://www.eca.eu.int/EN/reports_opinions.htm).

<sup>(3)</sup> Special Report No 1/2003 (OJ C 98, 24.4.2003; Bull. 1/2-2003, point 1.10.19).

<sup>(4)</sup> Special Report No 2/2003 (OJ C 93, 17.4.2003; Bull. 1/2-2003, point 1.10.20).

<sup>(5)</sup> Special Report No 3/2003 (OJ C 109, 7.5.2003; Bull. 1/2-2003, point 1.10.21).

<sup>(6)</sup> Special Report No 4/2003 (OJ C 151, 27.6.2003; Bull. 4-2003, point 1.10.8).

<sup>(7)</sup> Special Report No 5/2003 (OJ C 167, 17.7.2003; Bull. 4-2003, point 1.10.9).

<sup>(8)</sup> Special Report No 6/2003 (OJ C 167, 17.7.2003; Bull. 4-2003, point 1.10.10).

<sup>(9)</sup> Special Report No 7/2003 (OJ C 174, 23.7.2003; Bull. 5-2003, point 1.9.14).

EDF <sup>(1)</sup>, the system for setting the rates of subsidy for exports on agricultural products <sup>(2)</sup>, the effectiveness of the Commission's management of development assistance to India in targeting the poor and ensuring sustainable benefits <sup>(3)</sup>, the financial instrument for the environment (LIFE) <sup>(4)</sup>, the sound financial management of the common organisation of the market in dried fodder <sup>(5)</sup>, aid to cotton production <sup>(6)</sup>, the measurement of farm incomes by the Commission <sup>(7)</sup>, and the audit of microproject programmes financed by the EDF <sup>(8)</sup>.

1111. *Specific annual reports.* The Court produced 20 specific annual reports in 2003. These dealt with the financial statements of the European Coal and Steel Community at 23 July 2002 <sup>(9)</sup>, the accounts drawn up by the Secretary-General of the Convention on the Future of the European Union for the financial year 2002 <sup>(10)</sup>, the annual report and statement of assurance concerning the ECSC for the financial year ended 23 July 2002 <sup>(11)</sup>, the financial statements for the 'Schengen contracts' for the 2002 financial year <sup>(12)</sup> and the financial statements for 'Sisnet' for the 2002 financial year <sup>(13)</sup>, the financial statements for the 2002 financial year of: the European Environment Agency <sup>(14)</sup>, the European Agency for Reconstruction <sup>(15)</sup>, the European Agency for Safety and Health at Work <sup>(16)</sup>, the European Centre for the Development of Vocational Training <sup>(17)</sup>, the Translation Centre for the Bodies of the European Union <sup>(18)</sup>, the European Foundation for the Improvement of Living and Working Conditions <sup>(19)</sup>, the European Agency for the Evaluation of Medicinal Products <sup>(20)</sup>, the European Training Foundation <sup>(21)</sup>, the Community Plant Variety Office <sup>(22)</sup>, the Office for Harmonisation in the Internal Market <sup>(23)</sup>, the European Monitoring Centre on Racism and Xenophobia <sup>(24)</sup>, the Euratom Supply

<sup>(1)</sup> Special Report No 8/2003 (OJ C 181, 31.7.2003; Bull. 5-2003, point 1.9.15).

<sup>(2)</sup> Special Report No 9/2003 (OJ C 211, 5.9.2003; Bull. 6-2003, point 1.9.16).

<sup>(3)</sup> Special Report No 10/2003 (OJ C 211, 5.9.2003; Bull. 6-2003, point 1.9.17).

<sup>(4)</sup> Special Report No 11/2003 (OJ C 292, 2.12.2003; Bull. 9-2003, point 1.9.12).

<sup>(5)</sup> Special Report No 12/2003 (OJ C 298, 8.12.2003; Bull. 9-2003, point 1.9.13).

<sup>(6)</sup> Special Report No 13/2003 (OJ C 298, 8.12.2003; Bull. 9-2003, point 1.9.14).

<sup>(7)</sup> Special Report No 14/200 (Bull. 12-2003, point 1.9.18).

<sup>(8)</sup> Special Report No 15/2003 (Bull. 12-2003, point 1.9.19).

<sup>(9)</sup> OJ C 127, 29.5.2003; Bull. 3-2003, point 1.9.17.

<sup>(10)</sup> OJ C 122, 22.5.2003; Bull. 4-2003, point 1.10.7.

<sup>(11)</sup> OJ C 224, 19.9.2003; Bull. 6-2003, point 1.9.15.

<sup>(12)</sup> Bull. 7/8-2003, point 1.9.11.

<sup>(13)</sup> Bull. 7/8-2003, point 1.9.12.

<sup>(14)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.15.

<sup>(15)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.16.

<sup>(16)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.17.

<sup>(17)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.18.

<sup>(18)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.19.

<sup>(19)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.20.

<sup>(20)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.21.

<sup>(21)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.22.

<sup>(22)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.23.

<sup>(23)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.24.

<sup>(24)</sup> OJ C 319, 30.12.2003; Bull. 10-2003, point 1.9.25.

Agency <sup>(1)</sup>, Eurojust <sup>(2)</sup>, the European schools <sup>(3)</sup>, and the European Monitoring Centre for Drugs and Drug Addiction <sup>(4)</sup>.

1112. *Opinions.* The Court gave opinions on a proposal for a regulation for the Budget Committee of the Office for Harmonisation in the Internal Market laying down the financial provisions applicable to the Office <sup>(5)</sup>, a proposal for a financial regulation of the Community Plant Variety Office <sup>(6)</sup>, the draft financial regulation of the European Food Safety Authority <sup>(7)</sup>, a proposal for a Council regulation introducing, on the occasion of the accession of the new Member States, special temporary measures for recruitment of officials of the European Communities <sup>(8)</sup>, the draft financial regulation of the European Agency for the Evaluation of Medicinal Products <sup>(9)</sup>, a proposal for a Council regulation amending Regulation (EC, Euratom) No 1150/2000 implementing Decision 2000/597/EC, Euratom on the system of the Communities' own resources <sup>(10)</sup>, a proposal for a Parliament and Council decision establishing a Community action programme to promote activities in the field of the protection of the Community's financial interests <sup>(11)</sup>, a draft Commission regulation on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 <sup>(12)</sup>, proposal for a Council regulation amending Regulation (EC, Euratom) No 2728/94 establishing a Guarantee Fund for external actions <sup>(13)</sup>.

## European Central Bank (ECB) <sup>(14)</sup>

1113. *Composition and internal organisation of the ECB.* Following a Commission opinion of 19 February <sup>(15)</sup> and after issuing its conclusions of 18 February <sup>(16)</sup>, the Council decided on 21 March <sup>(17)</sup> to amend the rules on voting in the Governing Council from the date on which the number of members of the Governing Council exceeds 21. On 15 May <sup>(18)</sup> Parliament adopted a resolution on the appointment of Gertrude Tumpel-

<sup>(1)</sup> Bull. 10-2003, point 1.9.26.

<sup>(2)</sup> Bull. 10-2003, point 1.9.27.

<sup>(3)</sup> Bull. 10-2003, point 1.9.28.

<sup>(4)</sup> Bull. 10-2003, point 1.9.29.

<sup>(5)</sup> Opinion No 1/2003 (Bull. 4-2003, point 1.10.11).

<sup>(6)</sup> Opinion No 2/2003 (Bull. 4-2003, point 1.10.12).

<sup>(7)</sup> Opinion No 3/2003 (Bull. 4-2003, point 1.10.13).

<sup>(8)</sup> Opinion No 5/2003 (OJ C 224, 19.9.2003; Bull. 7/8-2003, point 1.9.13).

<sup>(9)</sup> Opinion No 6/2003 (Bull. 7/8-2003, point 1.9.14).

<sup>(10)</sup> Opinion No 7/2003 (OJ C 318, 30.12.2003; Bull. 10-2003, point 1.9.30).

<sup>(11)</sup> Opinion No 8/2003 (OJ C 318, 30.12.2003; Bull. 11-2003, point 1.9.21).

<sup>(12)</sup> Opinion No 9/2003 (Bull. 12-2003, point 1.9.16).

<sup>(13)</sup> Opinion No 10/2003 (Bull. 12-2003, point 1.9.17).

<sup>(14)</sup> <http://www.ecb.int/>.

<sup>(15)</sup> COM(2003) 81; Bull. 1/2-2003, point 1.3.7.

<sup>(16)</sup> Bull. 1/2-2003, point 1.3.6.

<sup>(17)</sup> Decision 2003/223/EC (OJ L 83 of 1.4.2003; Bull. 3-2003, point 1.3.5).

<sup>(18)</sup> Bull. 5-2003, point 1.9.1.

Gugereff as a member of the Executive Board of the European Central Bank. Following the Council's recommendation of 15 July <sup>(1)</sup>, on 23 September Parliament confirmed the appointment of Mr Trichet as President of the ECB <sup>(2)</sup>, succeeding Mr Duisenberg, from 1 November for a period of eight years. The European Council welcomed this appointment.

1114. *Activities of the ECB.* The activities of the European Central Bank and monetary policy are discussed in Section 1 ('Economic and monetary policy') of Chapter IV (→ points 112 et seq.).

### **European Economic and Social Committee <sup>(3)</sup>**

1115. *Plenary sessions.* In the course of its nine plenary sessions in 2003, the European Economic and Social Committee (EESC) adopted 184 opinions and two information reports.

1116. *EESC priorities.* In 2003, the Committee, on the basis of the 2003–04 programme set out by its president, identified the following political priorities: the Constitution of the European Union, coping with geographical and cultural enlargement, the continued development of the European social model, systematic efforts to promote sustainability in all policy areas, a new impetus for economic growth, encouragement of entrepreneurial activity and strengthening of competitiveness, combating unemployment and poverty, the economic and social development of the Third World, the economic, social and political integration of immigrants, and the maintenance and consolidation of peace. To achieve these priorities, the Committee drew up four lines of action: optimising the Committee's role as a consultative body to Parliament, the Council and the Commission by stepping up cooperation, based, as far as the Commission is concerned, on the cooperation protocol signed in 2001; improving its representativeness and credibility as institutional representative of civil society; developing its resources and internal structures, and reinforcing its presence in the debate on the future of Europe.

1117. *Leading figures involved in its work.* The Committee played host to a number of leading figures in 2003: Mr Tsohatzopoulos, Greek defence minister, representing the Greek Presidency; Ms de Palacio, Vice-President of the Commission; observers representing civil society organisations in the future Member States; Mr Dehaene, Vice-President of the Convention, who came to present the results of the Convention; Mr Buttiglione, Italian Minister with responsibility for European affairs, who also took part in the bureau of the November Committee; Mr Genro, representing the presidency of the Federative Republic of Brazil; and Mr Barnier, Member of the Commission, who reported on the state of negotiations in the Intergovernmental Conference.

<sup>(1)</sup> Recommendation 2003/518/EC (OJ L 181, 19.7.2003; Bull. 7/8-2003, point 1.3.6).

<sup>(2)</sup> Bull. 9-2003, point 1.3.3.

<sup>(3)</sup> <http://www.esc.eu.int/index800.htm>.

1118. *Cooperation between the Commission and the EESC.* As in previous years, Ms de Palacio, Vice-President of the Commission responsible for relations with the EESC, sent the Committee, in order to help it organise its work, an indicative list of topics on the Commission's work programme for 2003 <sup>(1)</sup> on which the Committee was likely to be consulted. Furthermore, in accordance with the cooperation protocol signed in 2001 by the Commission and the Committee, the latter adopted eight exploratory opinions in 2003, thus giving its opinion upstream of the Commission's legislative or political initiatives.

1119. *Consultations on Commission opinions.* Of the 184 opinions adopted by the Committee, 77 were on matters where consultation is mandatory.

1120. *Opinion upon consultation by Parliament.* On 30 October, the Committee adopted an opinion <sup>(2)</sup> on assessment of the experiences it had gathered to evaluate the impact of structural reforms in the Union.

1121. *Right of initiative.* The Committee exercised its right of initiative on 21 occasions in 2003. The main opinions concerned European citizenship, the role of microenterprises in economic life, healthcare, the role of civil society in European development policy, industrial change in Europe, contribution to the 2003 IGC, socially sustainable tourism for everyone, assessment of the experiences gathered by the EESC to evaluate the economic, social and employment impact of structural reforms in the EU, equal opportunities for men and women, and the broad economic policy guidelines.

1122. *Exploratory opinions.* In response to requests from members of the Commission, the Committee issued eight exploratory opinions on trans-European networks (TENs), the European works councils, the contribution of the general Community policies to economic and social cohesion, the partnership for implementing the Structural Funds, economic and social cohesion, regional competitiveness, trans-Euro-Mediterranean energy networks, the role of civil society in the new European strategy for the western Balkans, and the scheme of generalised tariff preferences.

1123. *Establishment plan.* At 31 December, the Committee's establishment plan comprised 424 permanent posts and 93 temporary posts, including 337 permanent posts in the joint services with the Committee of the Regions.

## **Committee of the Regions <sup>(3)</sup>**

1124. *Plenary sessions.* In 2003, at its five plenary sessions, the Committee of the Regions adopted 58 opinions and two reports. Of the opinions, 12 were on matters where

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<sup>(1)</sup> 2002 General Report, point 1094.

<sup>(2)</sup> Bull. 10-2003, point 1.3.8.

<sup>(3)</sup> <http://www.cor.eu.int>.

consultation was mandatory and 35 where it was optional; nine were own-initiative opinions. It also adopted two outlook opinions, an outlook report and an information report.

1125. *Priorities of the Committee of the Regions.* In 2003 the Committee identified the following political priorities on the basis of the 2003–04 programme set out by its President: stepping up cooperation with the Commission on the basis of the cooperation protocol signed in 2001, and organising broad debates on major topics. The main opinions concerned the following subjects: productivity and competitiveness of European economies and enterprises, a comparative evaluation of the progress of the ‘eEurope 2005’ project, the thematic strategy for soil protection, an assessment of the URBAN initiative, the promotion of co-generation based on a useful heat demand in the internal energy market, European research, taking stock of the five years of the European employment strategy, the second progress report on economic and social cohesion, entrepreneurship in Europe, accessible asylum systems, the wider Europe and relations with the eastern and southern neighbours, the Culture 2000 programme, interoperability of electronic toll-collection systems, and strengthening the social dimension of the Lisbon strategy.

1126. *Leading figures involved in its work.* The Committee played host to a number of leading figures in 2003: Mr Prodi, President of the Commission, who met the mayors of the capitals of Europe; Ms Diamantopoulou, Member of the Commission; Mr Busquin, Member of the Commission, who presented the Commission action plan for research; Mr Cox, President of the European Parliament, and Mr Gil Robles, Member of the European Parliament, who spoke about the results of the Convention; Ms Reding, Member of the Commission, who opened a dialogue with the Committee on culture; Mr Gagliardi, State Secretary for Regional Affairs in the Italian government; Mr Gallagher, Minister of State at the Department of the Environment and Local Government in the Irish government, who gave a report and presented a programme on the presidency of their respective countries; and Mr Maystadt, President of the EIB, who highlighted the EIB’s proposals for responding to the Lisbon strategy.

1127. *Cooperation with the Commission.* As has been customary since 1995, Ms de Palacio, Vice-President of the Commission, sent the Committee a list of items from the Commission’s work programme for 2003 <sup>(1)</sup> on which it was hoped the Committee would make a contribution. Furthermore, in accordance with the cooperation protocol signed in 2001 by the Commission and the Committee, in 2003 the latter adopted two outlook opinions and one outlook report, thus enabling it to give its opinions on the subjects in question upstream of the Commission’s legislative or policy initiatives.

1128. *Consultations on Commission opinions.* Of the opinions adopted by the Committee, 12 were on matters where consultation is mandatory.

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<sup>(1)</sup> 2002 General Report, point 1094.

1129. *Right of initiative.* The Committee exercised its right of initiative on nine occasions in 2003. The main opinions concerned progress towards accession by each of the candidate countries, the next round of WTO negotiations, the management and consequences of natural disasters, the Committee's proposals for the Intergovernmental Conference 2003 and the second northern dimension action plan.

1130. *Outlook opinions and reports.* In response to requests by members of the Commission, the Committee issued two outlook opinions on the capacity of regional airports and on the role of universities in local and regional development, and an outlook report on governance and simplification of the Structural Funds after 2006.

1131. *Establishment plan.* At 31 December, the Committee's establishment plan comprised 230 permanent posts and 22 temporary posts, including 128 permanent posts in the joint services with the European Economic and Social Committee.

*Section 2*

## Administration and management of the institutions and other bodies <sup>(1)</sup>

### Human resources and Staff Regulations

#### Changes to the Staff Regulations

1132. Work continued throughout the year on the draft regulation to amend the Staff Regulations applicable to officials and other servants of the European Communities presented in April 2002 (Table II). Following the political agreement reached in the Council on 19 May, the Commission incorporated the principles that had been worked out in an amended proposal on 18 November.

#### Equal opportunities and non-discrimination

1133. *Equal opportunities.* In view of the positive results of the equal opportunities strategy pursued in previous years, this approach was continued in 2003 with the adoption by the Commission on 11 June of the annual targets for the recruitment of women to category A posts and the appointment of women to middle and senior management posts. To promote greater gender equality in this category, the objectives for 2003 were to appoint at least six women to A1 et A2 grades (five were appointed); to ensure that at least 25 % of the middle management posts published in 2003 go to women (16.7 % were appointed); to maximise the recruitment of women from the reserve lists, as well as the number of women recruited as temporary staff and appointed from internal competition lists (136 women and 275 men were recruited in 2003).

1134. *Non-discrimination.* On the occasion of the European Year of People with Disabilities, a revised code of good practice for the employment of people with disabilities was adopted. The new code updates the one originally adopted in 1998 and takes account of proposed new provisions under the Staff Regulation defining disability and detailing reasonable adaptation of the work environment. A preliminary survey of practices followed in the Member States was conducted to assist in the development of Commission personnel policy in this area. External consultants were engaged to advise on appropriate measures to be taken in the fields of recruitment, selection, promotion and career development procedures.

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(1) Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/personnel\\_administration/index\\_en.htm](http://europa.eu.int/comm/dgs/personnel_administration/index_en.htm)).

## Determination and settlement of entitlements — Salaries

1135. The Office for the Administration and Payment of Individual Entitlements (Paymaster's Office), set up in November 2002 <sup>(1)</sup>, became operational on 1 January. Its tasks include determining, calculating and paying the entitlements and salaries of staff employed by the institutions and of external staff.

1136. The temporary contribution deducted from the salaries of Community staff was discontinued with effect from 1 July 2003. On 8 December, the Council adopted a regulation introducing a new temporary special levy <sup>(2)</sup> and a regulation adapting the remuneration of Community staff with effect from 1 January 2004 <sup>(3)</sup>.

## Career path

1137. Following the adoption of specific rules on staff assessments in December 2002, the appraisal exercise under the new rules started throughout the Commission in January and ended in July. Career development reports were drawn up as planned, and the promotion exercise continued with the setting up of promotion committees in October, together with the support of a new information technology tool, 'Sysper2'.

Under a Commission decision of 16 October implementing Council Regulation (EC) No 1746/2002 introducing special measures to terminate the service of officials in the context of the reform of the Commission <sup>(4)</sup>, 182 officials were able to retire early in 2003. These measures, applied on a voluntary basis and in the interest of the service, were taken in view of the need to renew skills arising from the reorganisation measures and from the refocusing of the use of the Commission's resources on priority activities.

## Recruitment

1138. The European Communities Personnel Selection Office (EPSO) <sup>(5)</sup>, created in July 2002 <sup>(6)</sup>, became fully operational on 1 January. EPSO was requested to organise external selection procedures to set up reserve lists with approximately 110 A-grade candidates, 720 B-grade candidates and 350 C-grade candidates. Regarding transfers between the different categories, the setting up of lists with around 350 internal candidates was requested. In addition, the first competitions for staff from the acceding countries were launched during the first half of the year. In view of the relatively large number of vacant posts due to the additional posts granted by the budgetary authority and the small number of candidates who have passed a competition, the Commission established a framework for the recruitment of temporary staff to fill some permanent posts.

<sup>(1)</sup> 2002 General Report, point 1152.

<sup>(2)</sup> Regulation (EC, Euratom) No 2181/2003 (OJ L 327, 16.12.2003; Bull. 12-2003, point 1.9.12).

<sup>(3)</sup> Regulation (EC, Euratom) No 2182/2003 (OJ L 327, 16.12.2003).

<sup>(4)</sup> OJ L 264, 2.10.2002.

<sup>(5)</sup> [http://europa.eu.int/epso/index\\_en.htm](http://europa.eu.int/epso/index_en.htm).

<sup>(6)</sup> Decision 2002/621/EC (OJ L 197, 26.7.2002; 2002 General Report, point 1137).

## Preparing for enlargement

1139. The Commission continued intensive preparations to ensure that all necessary measures are in place by the date of accession of the new Member States, set for 1 May 2004. Progress towards this goal is described in the ‘Roadmap for administrative preparations for enlargement’, which was last updated in September.

In view of the upcoming recruitment of officials from the accession countries, the Commission adopted a decision on 19 February based on the principles of ensuring a balanced representation of new Member States in the Commission staff, while applying the principles of equal treatment and gender balance. In addition, on 13 June the Commission proposed introducing, in a Council regulation, special temporary measures for the recruitment of officials from the new Member States (→ point 54). As on previous enlargements, the proposal envisages the organisation of competitions for the selection of officials on a national basis and advocates a derogation from the Staff Regulations to last until the end of 2010.

A communication on the transformation of Commission delegations in the new Member States into representation offices was adopted on 16 June (→ point 1013).

## Joint Sickness Insurance Scheme

1140. Despite budgetary pressures resulting from the gradual ageing of the insured population, the financial balance of the Joint Sickness Insurance Scheme remains secure and stable for at least the next 10 years. The aggregated surplus represents an adequate defence to confront this situation and unforeseen short-term events.

## Pensions

1141. The reform seeks to introduce into the Staff Regulations (→ point 1132) a systematic auditing procedure based on the strictest standards, the aim being to ensure the actuarial balance of the scheme and enable pensions to be fully financed from the contributions of all the parties concerned. Other amendments are aimed at modernising the retirement, invalidity and survivor’s pensions and, in particular, the application of specific weightings, i.e. distinct from those applied to the remuneration of staff in active service, and at ensuring greater neutrality in the transfer of pension rights.

## Buildings policy and management, services and infrastructure management

1142. The Offices for Infrastructure and Logistics in Brussels (OIB) and Luxembourg (OIL), established in 2002 <sup>(1)</sup> to carry out all activities associated with the housing of staff, the management of social welfare infrastructure and the logistics of the Commission and

<sup>(1)</sup> 2002 General Report, point 1152.

in some cases also of the other institutions, became operational on 1 January. On 22 July the Commission adopted administrative rules governing the tasks assigned to the OIB and the OIL. In addition, a decision on the future of the Luxembourg site was adopted by the Commission on 11 February, establishing a definitive plan enabling the Commission to ensure that the services established in Luxembourg are of sufficient size to operate autonomously. It is planned to increase the number of Commission staff in Luxembourg from around 3 000 today to at least 3 400 by 2010.

On 10 December, the Commission adopted a communication on buildings policy and the management of office space defining the principles to be followed on this topic in the years to come. The subjects tackled include the integration of Commission buildings into the urban environment, their accessibility and quality, problems of travel within the Brussels region and the improvement of working conditions in the context of Commission social welfare policy.

### **Interinstitutional cooperation**

1143. Following a decision of the secretaries-general of the institutions, the Commission is managing a working group responsible for developing a plan to establish a European interinstitutional civil service college to be operational at the start of 2005. On 19 September the Commission adopted a regulation establishing a joint committee for all the institutions, to be consulted on notices of open competitions organised by EPSO (→ point 1138).

### **Social policy and welfare at work**

1144. With its decision of 16 July, the Commission prepared the ground to meet its legal obligation to protect its staff against health risks from tobacco smoke in the workplace. After a transitional period of a year, all Commission buildings are to be declared no-smoking areas with effect from 1 May 2004. An integrated package of measures will be taken to improve understanding of the risks arising from passive and active smoking, as well as programmes offering support to those wishing to give up smoking.

### **Discipline**

1145. On 9 July, the Commission adopted a decision setting up a specialist body on financial irregularities, as provided for in the White Paper on reform <sup>(1)</sup>. This brings the Commission into line with Article 66(4) of the new financial regulation <sup>(2)</sup>, which requires each institution to set up such a consultative panel. On 23 July, the Commission adopted guidelines defining the personal financial liability of officials who are shown to have been responsible, through serious personal misconduct, for financial loss to the Community

<sup>(1)</sup> COM(2000) 200; 2000 General Report, points 1205 to 1211.

<sup>(2)</sup> Regulation (EC, Euratom) No 1605/2002 (OJ L 248, 16.9.2002; 2002 General Report, point 1048).

budget. This consultative document defines Commission policy on this matter with a view to concertation with staff representative bodies.

### **Information technology services <sup>(1)</sup>**

1146. An important action to coordinate the interoperability of existing information systems was undertaken with the aim of establishing seamless information systems in the Commission. The interdepartmental group on interoperability, set up in 2002, made substantial progress in drawing up a detailed action plan targeting, firstly, applications in the horizontal areas of strategic planning and programming, human resources, budget and document management. A benchmarking exercise, modelled on the eEurope approach and based on a survey, was carried out in the last quarter of the year. The results should lead to the establishment of a scoreboard making it possible to monitor further progress towards achieving the objectives of the e-Commission set out in the communication 'Towards the e-Commission: implementation strategy 2001–05' <sup>(2)</sup>. On 14 October, a symposium was held on the 'E-Commission: the challenge of interoperability'. A report on the implementation of IT accessibility standards for people with disabilities was presented in July.

Following an Internal Audit Service report on IT governance assessing the current state of ICT organisation, the Commission identified a number of challenges related to IT organisation, strategy, information systems and infrastructure. In addition, an action plan was drawn up, accompanied by a broad-ranging consultation of IT and resource stakeholders within the Commission. A common approach was worked out for following up the action plan in terms of improving coordination and decision-making structures and for consolidating infrastructure. A high-level discussion group was set up to further analyse important unresolved organisational and operational issues and to make proposals. Lastly, major achievements both ongoing and completed included the successful rollout of the e-Commission technological platform and the introduction of the new application pay (NAP) payroll system.

### **Translation <sup>(3)</sup>**

1147. *Strategic approach.* In 2003, the Translation Service (SdT) continued the administrative preparations for enlargement so that it would be in a position to respond to this unprecedented challenge, which would entail a significant increase in the number of official languages, up from 11 to 20 in May 2004. In this context the Commission adopted, in January, a decision to undertake a far-reaching reorganisation of the service aimed at refocusing it on its core activities for the Commission and the European institutions. This decision includes an amendment of the establishment plan and the transformation of the serv-

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<sup>(1)</sup> [http://europa.eu.int/comm/di/index\\_en.htm](http://europa.eu.int/comm/di/index_en.htm).

<sup>(2)</sup> SEC(2001) 924; 2001 General Report, point 1253.

<sup>(3)</sup> [http://europa.eu.int/comm/dgs/translation/index\\_en.htm](http://europa.eu.int/comm/dgs/translation/index_en.htm).

ice into the Directorate-General for Translation (DGT). The reorganisation is in keeping with the objectives assigned by the Commission in 2002 in its communication on a strategy for the Translation Service <sup>(1)</sup>. In February, the Commission adopted a communication on a sustainable solution for the Luxembourg site, making provision for its considerable strengthening by assigning to it the translators of the new languages.

1148. *Main activities.* With particular regard to quality assurance within the context of the simplification of the language process, the Translation DG provided the following main services: translation, editing originals (36 698 pages) and summarising original documents (1 089 pages in writing and 147 pages orally). In 2003, it translated a total of 1 416 817 pages, including 4 194 out of and 2 769 pages into non-Community languages. Freelance translators accounted for 306 616 pages of translation (21.64 %) and 8 651 pages of rapid post-editing of machine translations (0.6 %). The total number of pages produced using machine translation amounted to 875 584 (all institutions and offices combined), including 280 627 (32 %) pages requested by the Translation DG.

1149. *Preparing for enlargement.* The Translation DG continued language training for its translators with a view to meeting future needs in the new languages, intensified contacts with the appropriate bodies in the acceding countries, and established local translation offices in those countries in June, assigning experienced translators from the institution to supervise these activities. In addition, the recruitment of auxiliary and temporary staff for the new languages was stepped up starting in September.

1150. *Interinstitutional approach.* The Translation DG continued its work in a number of areas, including within the Interinstitutional Committee for Translation and Interpreting (ICTI), with a view to achieving synergy between the institutions in the language field. A study commissioned by the secretaries-general of the institutions in July 2002 on optimising interinstitutional cooperation in the field of translation was entrusted to an outside consultant following a call for tenders and should result in a final report being available in spring 2004. In 2003, the Translation Centre for Bodies of the European Union had a staff of 158 (including 77 LA officials) and ensured translation of 257 500 pages.

## **Interpreting and conferences <sup>(2)</sup>**

1151. *Preparing for enlargement.* On 15 October, the Joint Interpreting and Conference Service (SCIC) was transformed into the Directorate-General for Interpretation. At the same time, the Commission approved a new organisation plan designed to create the appropriate management structures to cope with the virtual doubling of the number of official languages and the increased complexity of organisational tasks that would follow on enlargement.

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<sup>(1)</sup> SEC(2002) 382; 2002 General Report, point 1142.

<sup>(2)</sup> [http://europa.eu.int/comm/scic/index\\_en.htm](http://europa.eu.int/comm/scic/index_en.htm).

Ongoing preparations for enlargement continued to be the main focus of attention during the course of 2003. The first 14 interpreters for the enlargement languages were recruited as temporary staff on 1 May 2003 with the specific tasks of supporting the training of interpreters in their respective countries, preparing terminology, and carrying out interpreting assignments as required. Open competitions were also launched by EPSO with a view to recruiting the first permanent staff interpreters for the nine new languages as of 1 May 2004. Efforts to ensure an adequate supply of interpreters for the new languages continued in the form of providing subsidies to universities, grants to individual students and teaching assistance to recognised interpreter training institutes.

1152. *Interinstitutional cooperation.* Work also continued in the context of the Interinstitutional Committee for Translation and Interpreting (ICTI) to find and promote synergies between the interpretation services of the Commission, European Parliament and Court of Justice. Accordingly, a shared database of accredited freelance interpreters was agreed upon, and work advanced towards the agreement of common procedures for their selection and quality control. Day-to-day cooperation was intensified with a marked increase in the exchange of interpreter resources between the institutions on an ad hoc basis.

1153. *Activities.* The main activity continued to be the provision of interpretation to meetings organised by the Commission, Council, and the other institutions and bodies served. In part as a result of strict adherence to budgetary discipline, there was a further consolidation in the amount of interpretation provided, with a total of 135 727 interpreter days and 10 733 meeting days in 2003 (139 438 and 11 162 respectively in 2002). The new Directorate-General also continued to provide expertise to other Commission departments through the organisation of conferences and the provision of consultancy services. A total of 41 conferences were organised with some 21 300 participants in 2003 (36 and 23 000 respectively in 2002).

*Section 3***Reform of the Commission (1)**

1154. *Progress review of reform.* On 30 January (2), the Commission established a full progress review of the implementation of the process of reform comprising a political assessment and a detailed implementation report on the 98 actions set out in 2000 in the White Paper on reforming the Commission (3).

1155. *Staff Regulations of officials of the European Communities.* Matters relating to the development of the Staff Regulations of officials of the European Communities, together with those concerning the new personnel policy, and the system of appraisal and promotion are contained in Section 2 ('Administration and management of the institutions and bodies') of this chapter (→ points 1132 to 1144).

1156. *Development of a service culture.* In 2003, the Commission continued work on modernising and simplifying its working methods and work on the switchover to the 'e-Commission'. As part of the follow-up to Decision 2002/47/EC (4), it adopted procedures for registering and keeping records of the institution's documents. IT applications were developed for the filing and management of files and subsequently tested in a large number of departments during the second half of the year. In addition, the Commission continued work in July on implementing its filing plan. Training for document management officers (DMOs) was also introduced.

1157. *Reform of the management of external aid.* The process of devolving to the Community delegations the responsibility for managing external assistance, approved by the Commission in May 2000 (5) as an essential component of the reform of this management with a view to improving its effectiveness and the quality and visibility of actions, entered its final phase in 2003. This covered the transfer of responsibility to the ACP countries and thematic budget lines.

By the end of 2003, devolution had taken place in 60 of the Commission's 78 delegations, more than half of them located in the ACP countries. The process of devolving budget lines to the delegations made considerable progress in 2003. It was completed in the case of the 'programmes for specific regions' for Europe, the Mediterranean, Asia and Latin America, and for the programmes financed out of the Community budget (excluding the European Development Fund — EDF); more than 70 % of the 'programmes for specific regions' have now been devolved. Experience shows, moreover, that because of the

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(1) Further information is available on the Europa server ([http://europa.eu.int/comm/reform/index\\_en.htm](http://europa.eu.int/comm/reform/index_en.htm)).

(2) COM(2003) 40; Bull. 1/2-2003, point 1.10.14.

(3) 2000 General Report, point 1205.

(4) OJ L 21, 24.1.2002; 2002 General Report, point 1151.

(5) 2000 General Report, point 1207.

greater involvement of the delegations devolution has already helped shorten the period required for making payments, achieve successful calls for proposals and related procedures, and implement better quality programmes.

## Chapter X

# Information and communication

### Section I

## Information activities

1158. *General developments.* In 2003, the Commission continued to provide its various services in line with the strategy it was implementing in 2002: decentralisation, integrated approach and partnerships with the Member States and civil society, targeted information campaigns, sounding out citizens (opinion polls), Prince programme, greater collaboration between European Parliament offices and Commission representations in the Member States, and consolidation of joint actions with the Member States.

1159. *Representations in the Member States.* The 23 representations (15 in the capitals and eight in certain regions) were assigned a more prominent role, particularly in relation to the Info-Points Europe and the rural *carrefours*. In 2003, the Commission representations ran, in cooperation with the European Parliament and the Member States, major information campaigns designed to raise public awareness of key European issues, as decided jointly at interinstitutional level: enlargement, the future of Europe (preparation of the Constitutional Treaty by the Convention and the Intergovernmental Conference), the area of freedom, security and justice, and the euro. One new subject was broached: the role of the European Union in the world, embracing defence policy.

1160. *Networks and relays* <sup>(1)</sup>. Two objectives were pursued in 2003: boosting collaboration and developing a new approach in line with the new strategy formulated in 2001 and 2002 <sup>(2)</sup>. The network of documentation centres (EDCs) was upgraded. In particular, with the start-up of the Rome centre's activities, the major national centres were further consolidated and rationalised. The point of this approach is to develop a new common and homogeneous framework of action for all the networks and relays, at each Member State's

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<sup>(1)</sup> [http://europa.eu.int/comm/relays/index\\_en.htm](http://europa.eu.int/comm/relays/index_en.htm).

<sup>(2)</sup> 2001 General Report, point 1278; 2002 General Report, point 1157.

request, against the background of shared responsibilities with the Commission representations, and along the same lines as has already been done for Paris, Lisbon and Rome. The general assembly of the Info-Points Europe (IPE) and the rural information and promotion *carrefours*, held in Brussels from 11 to 13 December, paved the way for implementation of the new information and communication strategy. The assembly was attended by representatives of the European Parliament, the Council, the Commission, the Committee of the Regions and the European Economic and Social Committee. A procedure for analysing and evaluating all the relays and networks was completed with a view to establishing a single, second-generation multifunction network, based on four principles: a more homogeneous and coherent structure, a more decentralised form of management with a stronger role for the representations, an enhanced partnership with the Member States, and better cooperation with the other institutions, including the Committee of the Regions.

1161. *Europa*. The Europa server on the Internet continued to extend its coverage with the launch of a new interactive service known as ‘Your Voice in Europe’ (→ point 20). Mindful of the server’s key strategic value, the Commission continued with setting up online information and interactive communication services under the ‘Europa second generation (E2G)’ project adopted in 2001 (1). In 2003, ‘Corporate web content management’ was selected as the data management and portal access tool: it will play its part in the interactive and multilingual (20 languages) development of Europa II, with specific portals for particular target groups, enabling the second-generation relays and networks to develop into ‘cyber-relays’.

1162. *Publications*. In 2003, the Commission published, in the 11 official languages, 15 brochures and leaflets giving general information on the European Union’s achievements and major topics of interest. This material was also published in the nine languages of the 10 acceding countries, totalling some 16 million copies. At the same time, work is in progress on setting up distance printing procedures, which should generate appreciable gains in terms of speed and cost.

1163. *Audiovisual services*. The audiovisual communication strategy continued to centre on the development of ‘Europe by satellite’ (EbS), assistance for the electronic media and the audiovisual library, all in digital form. Internet availability and use made great strides in 2003. Coverage was also extended to take in the European Parliament’s plenary sessions and the Convention on the Future of the Union (→ points 3 to 7), press conferences at the end of Council meetings, the Commission’s daily press conferences, official visits, trips by the President and Members of the Commission, and the follow-up to European councils. Technical assistance for journalists increased by 13 %, and for the other institutions by 75 %. Input to Eurovision increased by 50 % and the supply of photos by 33 %, with Internet distribution within 30 minutes. Development of EbS with a view to working in 21 languages (with scope for up to 30 in the medium term) is now under way. By the same token, framework contracts are being drawn up to facilitate rapid and effective television

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(1) 2001 General Report, point 1279; 2002 General Report, point 1158.

production work in a Union of 25 Member States. Generally speaking, 2003 saw the introduction of a progressive and more dynamic approach in terms of tools and a better understanding of the media markets, aimed principally at bringing together parliamentary and political broadcasters and using producers and broadcasters working in the general European interest, such as EuroNews. Specifically as regards EuroNews, which is the only multilingual programme with a European editorial charter, the Commission decided to finance 10 projects (reports, interviews, live transmissions, European elections, etc.) to supplement projects co-funded under the framework agreement (2001–04). These 10 new projects will account for 15 % of total EuroNews production.

1164. *Public opinion.* Against the background of an extended range of products, the number of opinion polls carried out was significantly higher in 2003, with the results of these polls and surveys being disseminated regularly by the media, again on a wider scale.

1165. *Europe Direct* <sup>(1)</sup>. The Commission continued to operate this service, which was inaugurated in May 2000 <sup>(2)</sup>; with effect from 2002, it has a new single freephone number <sup>(3)</sup>. Development work on Europe Direct on an interinstitutional basis, with a view to preparing for the next European Parliament elections, was stepped up, with the inclusion of a partnership dimension (involving Member States and relays).

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<sup>(1)</sup> [http://europa.eu.int/europedirect/index\\_en.htm](http://europa.eu.int/europedirect/index_en.htm).

<sup>(2)</sup> 2000 General Report, point 1212.

<sup>(3)</sup> 00 800 6 7 8 9 10 11.

*Section 2***Press and communication activities <sup>(1)</sup>**

1166. The reforms launched in the press and communication field since 2000 <sup>(2)</sup> were continued and consolidated in 2003 with intense activity on the media front, reflected in a number of major campaigns including the campaign on enlargement and continuation of the campaign on the future of Europe. The campaign on the area of freedom, security and justice also took off properly this year.

1167. The Commission communication of 2 July 2002 <sup>(3)</sup> defining the content and methodology for a new information and communication strategy for the European Union prompted responses from the other Community institutions concerned in 2003. In an opinion dated 23 January <sup>(4)</sup>, the European Economic and Social Committee expressed its firm support for the Commission's initiative but wanted to see more attention being paid in the new strategy to the role of the social partners and organised civil society. It would also like the strategy to include broader issues such as the environment and education in the themes it dealt with. Parliament also expressed its views on the communication in a resolution of 10 April <sup>(5)</sup>, in which it underlined the crucial importance of information policy in the run-up to enlargement, the framing of a European Constitution and the European elections in It did, however, express concern about the inadequacy of the short and medium-term financial and budgetary estimates for such a policy and about the budget outturn. Parliament also called for an annual debate on information policy.

The concept of partnership remains the cornerstone of this strategy, with due regard for the right of each Member State to choose whether or not to participate. The year 2003 saw a fresh boost to this concept with the development of 'memoranda of understanding', essentially joint agreements on communication, which most Member States have signed. Over the year, the strategic role of the Interinstitutional Group on Information (IGI) was also confirmed.

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<sup>(1)</sup> Further information is available on the Europa server ([http://europa.eu.int/comm/dgs/press\\_communication/index\\_en.htm](http://europa.eu.int/comm/dgs/press_communication/index_en.htm)).

<sup>(2)</sup> 2000 General Report, point 1223; 2001 General Report, point 1277; 2002 General Report, point 1164.

<sup>(3)</sup> COM(2002) 350; 2002 General Report, point 1164.

<sup>(4)</sup> OJ C 85, 8.4.2003; Bull. 1/2-2003, point 1.8.1.

<sup>(5)</sup> Bull. 4-2003, point 1.8.1.

*Section 3*

## Activities of the Office for Official Publications of the European Communities <sup>(1)</sup>

1168. *Continuation of previous work and new initiatives.* In mid-2003, the Publications Office completed the consolidation of Community legislation in force in 11 languages. The consolidated texts are constantly kept up to date. Community law as it applies today is thus at the public's disposal in a more easily understandable form on the EUR-Lex website <sup>(2)</sup>.

Culminating work begun in 2002 <sup>(3)</sup>, a new service for the general public — a digital library called the 'European Union Bookshop' or 'Le Libraire de l'Union européenne' <sup>(4)</sup> — was presented at the Frankfurt book fair in October. This is linked to an electronic archive of Community publications and to logistical and commercial services.

Moreover, following the publication in 2002 <sup>(5)</sup> of a new version of the CD-ROM containing the L and C series of the *Official Journal of the European Union*, the Publications Office has produced some special CD-ROMs (*Combined nomenclature, TARIC*) which use similar structures.

1169. *Preparing for enlargement.* The Publications Office has begun pre-enlargement work with a view to publishing a special edition of the Official Journal. This is to contain the *acquis communautaire* in the languages of the future Member States (approximately 80 000 pages in each of the nine future official languages). To deal with this work, over 100 auxiliary staff members had to be recruited. As the authentic texts of Community law are completed in the new official languages, they are made available on the EUR-Lex site (→ point 1080). In addition, the Publications Office began adapting all the databases and Internet sites it manages to prepare for enlargement, in particular by translating the interfaces and explanatory notes into the languages of the future Member States.

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<sup>(1)</sup> Further information is available on the Internet at ([http://publications.eu.int/general/en/index\\_en.htm](http://publications.eu.int/general/en/index_en.htm)).

<sup>(2)</sup> <http://europa.eu.int/eur-lex/en/index.html>.

<sup>(3)</sup> 2002 General Report, point 1165.

<sup>(4)</sup> <http://bookshop.eu.int/>.

<sup>(5)</sup> 2002 General Report, point 1166.

*Section 4***Historical archives** <sup>(1)</sup>

1170. *Public access.* Council Regulation (EC) No 1700/2003 of 22 September (Table II) amended Regulation (EEC, Euratom) No 354/83 concerning the opening to the public of the historical archives of the EEC and the EAEC in order to bring its provisions into line with Regulation (EC) No 1049/2001 on public access to documents of the European Parliament, the Council and the Commission <sup>(2)</sup> (→ point 21). This was one of the Commission's initiatives to promote transparency and improve access to its documents and archives that form part of Europe's archive heritage.

Under the 30-year rule updated by Regulation (EC) No 1700/2003, the Commission released for consultation the historical archives of the ECSC High Authority, the EEC Commission, the Euratom Commission and the Commission of the European Communities for the year 1972 <sup>(3)</sup>. These 1 620 files have been added to the 43 800 files already made available to the public since 1952 in the case of the ECSC, since 1958 in the case of the EEC and Euratom, and since 1967 in the case of the EC. Following the exceptional transfer of around 1.2 million files to the new archive depot in the Brussels region <sup>(4)</sup>, the Commission's historical archives department received and processed a further 200 000 files from the Commission directorates-general and services.

As part of its internal reform, the Commission has taken steps to modernise its document management (→ point 1156). After concluding a contract with a consortium of universities from different Member States in March, the Commission also contributed to the work of a team of researchers and made available the archive material necessary for producing a history of the Commission from 1958 to 1973.

1171. *Cooperation in the archive sector at European level.* In line with the Council resolution of 6 May on archives in the Member States (→ point 576), the Commission convened the inaugural meeting of the groups of experts representing current and future Member States in Brussels on 14 October. It also contributed to various conferences on archives, such as the meetings of the directors of the national archives of the Member States and accession countries devoted to the coordination of archives in Europe (Athens, 5 and 6 June; Syracuse, Italy, 22 and 23 September), the European Conference on State Archives in Central and Eastern Europe (Elblag, Poland, 22 to 24 May), and the plenary sessions of archivists of the foreign ministries (Syros, Greece, 15 and 16 May; Rome, 27 and 28 November).

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(1) Further information is available on the Europa server ([http://europa.eu.int/historical\\_archives/intro\\_en.htm](http://europa.eu.int/historical_archives/intro_en.htm)).

(2) OJ L 145, 31.5.2001; 2001 General Report, point 21.

(3) The historical archives' files are kept at the European University Institute in Florence.

(4) 2002 General Report, point 1168.

1172. *Publications.* In view of the interest in document lifecycle management (DLM) aroused by the publication of the proceedings of the Third DLM Forum <sup>(1)</sup> in the Member States and accession countries <sup>(2)</sup>, the Commission helped to implement the conclusions of the forum, particularly as regards strengthening a European DLM network and updating the reference models for managing electronic documents in the public and private sectors. It also continued publishing the six-monthly newsletter *INSAR — Information Summary on Archives*, part of which is devoted to the organisation and workings of the national archives of the 10 future EU Member States, in preparation for enlargement.

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<sup>(1)</sup> [http://europa.eu.int/historical\\_archives/dlm\\_forum/](http://europa.eu.int/historical_archives/dlm_forum/).

<sup>(2)</sup> 2002 General Report, point 1169.



# The year in brief

## January

- 10* Commission adopts communication on investing in education and training (→ point 556).
- 14* Commission adopts report on Lisbon strategy with a view to spring European Council (→ point 101) and Green Paper on conversion of the Rome Convention of 1980 on the law applicable to contractual obligations into a Community instrument and its modernisation (→ point 514).
- 21* Commission adopts Green Paper on European space policy (→ point 329).  
Council adopts decision on the existence of an excessive deficit in Germany, accompanied by recommendation on measures to be taken to put an end to it (→ point 109).
- 22* Commission adopts Green Paper on entrepreneurship in Europe (→ point 286).
- 24* Commission adopts proposal for directive on procedures to ensure enforcement of intellectual property rights (→ point 226).
- 27* Council adopts directives on minimum standards for the reception of asylum seekers (→ point 507) and access to justice in cross-border disputes (→ point 515), and a framework decision on protection of the environment through criminal law (→ point 536).

## February

- 1* Entry into force of the Nice Treaty (→ point 1).
- 4* Commission proposes establishing a second phase of the Daphne programme (2004–08) designed to prevent violence against children, young people and women, and to protect victims and groups at risk (→ point 87).
- 6* Parliament and Council adopt decision establishing the European Year of Education through Sport 2004 (→ point 584).
- 11* Commission adopts proposal for regulation establishing the European Network and Information Security Agency (→ point 390).

- 17 European Council holds extraordinary meeting in Brussels to discuss the international situation in connection with the Iraq crisis and declares its support for the UN Security Council in the disarmament process, stating that force should be used only as a last resort (→ point 1093).  
Commission adopts communication on the introduction of a European health insurance card (→ point 157).
- 18 Council adopts regulation establishing criteria and mechanisms for examining asylum applications (→ point 508).
- 19 Commission adopts Green Paper on procedural safeguards for suspects and defendants in criminal proceedings (→ point 502); it issues favourable opinions on the applications for accession to the European Union by Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia (→ point 44).

## March

- 3 Parliament and Council adopt directive relating to the quality of petrol and diesel fuels (→ point 613).
- 5 Commission adopts proposal for directive on ship-source pollution and sanctions for pollution offences (→ point 683).
- 8 Referendum in Malta on accession to the Union: 53.56 % in favour (→ point 44).
- 11 Commission adopts three communications on innovation policy (→ point 301), relations with the new neighbours of Europe after enlargement (→ point 1012) and the move towards an EU defence equipment policy (→ point 316).
- 18 Council adopts decision on launching of military operation in the Former Yugoslav Republic of Macedonia (→ point 879).
- 20 First Tripartite Social Summit (Council–Commission–social partners) for Growth and Employment (→ point 170).
- 20 and 21 European Council meets in Brussels for its spring session devoted to economic, social and environmental issues within the framework of the Lisbon strategy. It calls on the Commission to set up an employment task force, decides on a series of measures for maritime safety and calls on the Union to promote sustainable development. It also makes statements on the tense situations in Iraq, the Middle East in general, the Balkans and North Korea (→ point 1093).
- 21 Commission adopts communication on implementation of the common fisheries policy (→ point 478).
- 23 Referendum in Slovenia on accession to the Union: 89.61 % in favour (→ point 44).
- 26 Commission adopts two communications on asylum policy (→ point 507) and the consequences of the war in Iraq for energy and transport (→ point 636).

## April

- 1 Entry into force of the ACP–EC Cotonou Partnership Agreement (→ point 986).
- 7 Commission adopts communication on promotion of short-sea shipping (→ point 690) and proposal for directive on intermodal loading units (→ point 703).
- 8 Commission adopts communication on the measures to be taken by the Member States to ensure participation of all EU citizens in the 2004 elections to the European Parliament in an enlarged Union (→ point 548).
- 12 Referendum in Hungary on accession to the Union: 83.76 % in favour (→ point 44).
- 14 To deal with the special situation of the Kaliningrad enclave, Council adopts two regulations to establish facilitated transit documents through the Union between two parts of the same third country (→ point 503).
- 16 Treaty of Accession of the 10 new Member States signed in Athens (→ point 45).
- 23 Commission adopts communication on development of the trans-European transport network (→ point 431).
- 30 Commission adopts communication ‘Investing in research: an action plan for Europe’ (→ point 337).

## May

- 1 and 2 European Union–Japan summit in Athens (→ point 930).
- 2 Commission adopts proposal for framework decision to strengthen the criminal law framework for enforcement of law against ship-source pollution (→ point 687).
- 7 Commission adopts communication ‘Internal market strategy: priorities 2003–06’ (→ point 183).
- 8 Parliament and Council sign directive on promotion of biofuels or other renewable fuels for transport (→ point 644).
- 11 Referendum in Lithuania on accession to the Union: 91.04 % in favour (→ point 44).  
Referendum in Slovakia on accession to the Union: 92.46 % in favour (→ point 44).
- 16 ACP–EC Council of Ministers approves East Timor’s accession to ACP–EC Partnership Agreement (→ point 987).
- 19 Parliament and Council adopt decision on adjustment of the financial perspective for enlargement (→ point 1017).

Council signs protocol on strategic environmental assessment to the Espoo Convention (UNECE 1991) (→ point 621) and UNECE protocol on pollutant release and transfer registers (→ point 629).

Ministerial conference between the European Union and the San José Group (→ point 966).

Council adopts three decisions on accession partnerships with Bulgaria, Romania and Turkey (→ point 52).

- 21 Commission adopts Green Paper on services of general interest (→ point 201) and two communications, one on modernising company law and enhancing corporate governance (→ point 220), and the other on reinforcing statutory audit (→ point 225).
- 26 and 27 Conference in Crete of ministers of foreign affairs of the Euro-Mediterranean partnership (→ point 882).
- 27 Commission adopts communication on strengthening the social dimension of the Lisbon strategy (→ point 155).
- 28 European Union–Canada summit in Athens (→ point 932).
- 31 European Union–Russia summit in St Petersburg (→ point 915).

## June

- 2 Commission adopts three communications on mid-term review of the social policy agenda (→ point 148), cooperation between Member States concerning biological and chemical agent attacks (→ point 730), and the European road safety action programme (→ point 673).
- 3 Parliament and Council sign directive on the activities and supervision of institutions for occupational retirement provision (→ point 196). Council adopts a package of tax measures aimed at combating harmful practices and reducing distortions within the internal market (→ point 206).
- Commission adopts three communications on the development of a common immigration and asylum policy (→ point 505), immigration, integration and employment (→ point 506) and ways of promoting economic development in the northern part of Cyprus (→ point 82).
- 5 Council adopts negotiating directives for the creation of an ‘open aviation area’ to replace the ‘open skies’ agreements (→ point 693).
- 5 and 6 Council adopts action plan to combat drugs with the countries of the western Balkans and candidate countries (→ point 541).
- 8 Referendum in Poland on accession to the Union: 77.45 % in favour (→ point 44).
- 11 Commission adopts communication on a European environment and health strategy (→ point 603) and proposal for regulation establishing a cooperation programme with third countries in the field of migration (→ point 510).

- 11 and 12* Council adopts negotiating directives for a cooperation agreement on peaceful uses of nuclear energy between the European Atomic Energy Community and China (→ point 662).
- 12* Commission adopts proposal for decision on conclusion of the Stockholm Convention on persistent organic pollutants (→ point 608).
- 15 and 16* Referendum in the Czech Republic on accession to the Union: 77.33 % in favour (→ point 44).
- 16* Council signs World Health Organisation (WHO) framework convention on tobacco control (→ point 741) and adopts conclusions on relations of the enlarged Union with its new eastern and southern neighbours (→ point 1012).
- 18* Parliament and Council adopt directive on annual and consolidated accounts of companies, financial institutions and insurance undertakings (→ point 224).  
Commission adopts proposal for directive on unfair commercial practices (→ point 745).
- 19 and 20* European Council meets in Thessaloniki. Draft Constitution for Europe is presented by President of the Convention on the Future of the Union. European Council considers the draft a good basis for starting the Intergovernmental Conference. European Council also supports and encourages the Commission's initiatives on immigration and approves the draft broad economic policy guidelines and the employment guidelines. It expresses its concern about relations with Iran, North Korea and the United States (→ point 1093).
- 21* European Union–Balkans summit (→ point 863).
- 24* Commission adopts opinion on trade defence mechanism for shipbuilding (→ point 807).
- 25* European Union–US summit (→ point 926). Signing of agreement on extradition and mutual legal assistance with US on criminal law matters (→ point 926).
- 26* Parliament and Council adopt decision on intelligent energy for Europe (2003–06) (→ point 635).  
Council formally adopts broad economic policy guidelines for 2003–05 (→ point 104).

## July

- 1* Commission adopts two communications, one on strengthening the European pharmaceutical industry (→ point 318) and the other on a new neighbourhood instrument for an enlarged Europe (→ point 1012).
- 9* Commission adopts communication on a new partnership with South-East Asia (→ point 940).
- 9 and 10* Convention on the Future of the European Union holds its last session (→ point 7).

- 14 Accession Treaty ratified unanimously by Cypriot parliament (→ point 44).
- 15 Parliament and Council adopt regulation on transboundary movements of genetically modified organisms (→ point 610).
- 16 Commission adopts proposal for decision on mobilisation of European Union Solidarity Fund (→ point 126).
- 22 Council adopts two regulations on statute for European cooperative society (→ point 221) and involvement of employees in this type of society (→ point 221). It also adopts two framework decisions on freezing of property or evidence in the European Union (→ point 524) and combating corruption in the private sector (→ point 526). It adopts a regulation on customs intervention in respect of goods suspected of infringing intellectual property rights (→ point 787). It also adopts the employment guidelines (→ point 150).
- 23 Commission adopts proposal for regulation establishing a European Centre for Disease Prevention and Control (→ point 736) and proposal for regulation on the law applicable to non-contractual obligations (Rome II) (→ point 514).
- 24 Commission adopts communication concerning an action plan, 2004–06, for promoting language learning and linguistic diversity (→ point 567).
- 31 Commission adopts proposal for regulation on management structures for the Galileo European programme (→ point 667).

## August

- 1 Commission adopts proposal for directive setting eco-design requirements for energy-using products (→ point 590).
- 11 Commission adopts proposal for regulation on certain fluorinated greenhouse gases (→ point 591).
- 14 Commission adopts two proposals for regulations on local border traffic at the external borders of the Member States (→ point 501).
- 22 Commission proposes concluding UN Convention and its protocol against transnational organised crime (→ point 537).
- 27 Commission adopts communication advocating an international instrument on cultural diversity (→ point 571).

## September

- 10 Commission adopts communication on the choice of multilateralism by the European Union and the UN (→ point 766) and a policy paper on shared interests and challenges in EU–China relations (→ point 957).
- 10 to 14 Fifth ministerial conference of World Trade Organisation in Cancún, Mexico (→ point 781).

- 14 Swedish referendum votes against introduction of euro: 56.1 % against (→ point 116).  
Referendum in Estonia on accession to the Union: 66.9 % in favour (→ point 44).  
Referendum in Latvia on accession to the Union: 67 % in favour (→ point 44).
- 15 Commission adopts communication on information and communication technologies for vehicle safety (→ point 397).
- 17 Commission adopts opinion on draft Constitutional Treaty and meeting of the Intergovernmental Conference (→ point 11).
- 19 Commission adopts proposal for directive on protection of underground waters against pollution (→ point 599).
- 22 Council adopts directive on the right to family regrouping (→ point 509).  
Parliament and Council adopt two regulations on food and genetically modified organisms (→ point 610).
- 23 Commission adopts communication on reform of the common agricultural policy for the tobacco, olive oil, cotton and sugar sectors (→ point 435).
- 26 Commission adopts communication on the role of e-government for the future of Europe (→ point 392).
- 29 Council adopts series of regulations implementing the reform of the common agricultural policy (→ point 435).

## October

- 4 Intergovernmental Conference opens in Rome (→ point 15).
- 8 Commission adopts communication 'Towards the full integration of cooperation with ACP countries in the EU budget' (→ point 991).  
Commission adopts communication on structural indicators (→ point 101).
- 13 Council adopts conclusions on dialogue with the new neighbours of Europe after enlargement (→ point 1012).  
Parliament and Council adopt directive establishing a scheme for greenhouse gas emission allowance trading (→ point 591).  
Commission adopts communication on a framework for the aerospace industry (→ point 329).
- 14 Agreement on the participation in the EEA of the 10 future EU Member States is signed (→ point 857).
- 15 Commission adopts communication on respect for and promotion of the values on which the Union is based (→ point 85).
- 16 and 17 European Council meets in Brussels. Discussions focus on economic issues and internal affairs. Meeting of the Intergovernmental Conference devoted to a number of institutional questions (→ point 1096).

- 20 Commission adopts communication on governance and development (→ point 812).
- 21 Commission adopts proposals on social legislation relating to road transport activities and the European driving licence (→ point 673).
- 23 and 24 Madrid Conference on Reconstruction in Iraq (→ point 900).
- 24 Commission adopts package of measures on access to justice in environmental matters (→ point 625).
- 27 Commission adopts proposal to amend Act of Accession of new Member States following the reform of the common agricultural policy (→ point 47).
- 29 Commission adopts its legislative and work programme for 2004 (→ point 1102).
- 30 Sixth European Union–China summit (→ point 957).

## November

- 5 Commission proposes directive on equal treatment between women and men in access to and supply of goods and services (→ point 177).  
Commission adopts comprehensive monitoring report on the state of preparedness for EU membership among acceding countries and a strategy document and report on progress towards accession in candidate countries (→ point 48).
- 6 European Union–Russia summit (→ point 915).
- 10 Commission proposes common rules on the addition of vitamins and minerals to foods (→ point 717).
- 11 Commission adopts White Paper on European space policy (→ point 329).  
Commission proposes creation of a European Agency for Management of Operational Cooperation at External Borders (→ point 501).  
Commission adopts communication on the urgent reforms needed in education and culture as part of the Lisbon strategy (→ point 556).
- 13 Commission proposes establishment of European partnerships in the framework of the stabilisation and association process (→ point 868).
- 14 Commission proposes framework decision on obtaining evidence for use in criminal proceedings (→ point 520).
- 17 Parliament and Council adopt directive on the protection of pedestrians and other vulnerable road users (→ point 322).
- 18 Commission proposes directive on cross-border mergers of companies with share capital (→ point 193).  
As part of the reform of the CAP, Commission proposes two regulations on support schemes for farmers and certain common market organisations (→ point 470).

- 20 Parliament adopts resolution on the financial provisions of the draft Constitution (→ point 1086).
- 21 Commission adopts communication on an integrated approach to competitiveness (→ point 287).
- 25 Council adopts conclusions assessing steps taken by France and Germany to remedy their excessive deficits (→ point 109).
- Commission proposes establishment of a secure web-based information and coordination network for Member States' migration management services (→ point 510).
- Framework agreement signed between Community and European Space Agency (→ point 329).
- 26 Commission adopts communication on reviving the Doha Development Agenda negotiations (→ point 781).
- 27 Euro-Mediterranean conference of ministers of agriculture in Venice (→ point 781).
- 29 European Union–India summit (→ point 948).

## December

- 1 Parliament and Council adopt directive amending 'Seveso II' directive on control of major-accident hazards involving dangerous substances (→ point 601).
- 1 and 2 Euro-Mediterranean conference of energy ministers in Rome (→ point 882).
- 2 Commission adopts communication on new legal framework for payments in the internal market (→ point 198).
- 2 and 3 Euro-Mediterranean conference of foreign ministers in Naples (→ point 881).
- 5 Parliament and Council adopt decision establishing the Erasmus Mundus programme (2004–08) providing for cooperation with third countries in higher education (→ point 559) and an eLearning programme for the integration of information and communication technologies in education and training systems in Europe (→ point 558).
- 8 Council adopts regulation establishing additional customs duties on imports of certain products originating in the United States (→ point 783).
- 9 First meeting of foreign ministers in the European Union–Western Balkans Forum in Brussels (→ point 863).
- 10 Commission adopts communication and series of proposals on security of supply and infrastructures for gas and electricity (→ points 640 and 641).
- 10 to 12 First phase of World Summit on the Information Society in Geneva (→ point 400).
- 11 Commission adopts communication on progress with the development of the Schengen information system II (→ point 511).

- Extraordinary Tripartite Social Summit on Growth and Employment (→ point 170).
- 12 European Council meets in Brussels. It adopts strategies on security and against the proliferation of weapons of mass destruction and the first multiannual strategic programme (2004–06). It discusses economic issues (European growth initiative, ‘quick start’ programme), justice and home affairs (Agency for the Management of Operational Cooperation at the External Borders, combating illegal immigration, dialogue with third countries on migratory flows) and external relations (transatlantic relations, western Balkans, Euro-Mediterranean partnership, Middle East, Iraq and relations with Russia (→ point 1097)). It is followed by a session of the Intergovernmental Conference (→ point 15).
- 15 Commission adopts communication on future of European regulatory audiovisual policy (→ point 579).
- Council adopts regulation protecting against the effects of application of the United States Anti-Dumping Act of 1916 (→ point 783).
- 17 Commission adopts proposal for decision on creating Europass, a single framework for the transparency of qualifications and competences (→ point 560).
- 18 Parliament adopts 2004 budget (→ point 1031).
- Commission adopts communication on future of rules of origin in preferential trade arrangements (→ point 786).
- 19 Commission adopts communication ‘Dialogue with associations of regional and local authorities on the formulation of European Union policy’ (→ point 25).
- 22 Council adopts directive amending ‘parent-subsidiary directive’, removing obstacles to the smooth functioning of the internal market in the tax regimes applicable to parent companies and subsidiaries of different Member States (→ point 208), a framework decision on combating the sexual exploitation of children and child pornography (→ point 537), and a decision allowing a Member State to be represented by another Member State in a third country (→ point 502).
- Commission adopts proposal for regulation establishing a Community programme on genetic resources in agriculture (→ point 448).
- Parliament and Council appoint a European Data Protection Supervisor and assistant (→ point 231).
- 23 Commission adopts series of proposals to give Court of Justice and Community Patent Court exclusive jurisdiction in disputes relating to the Community patent (→ point 227).
- 30 Commission adopts communication on modernising social protection to take account of the ageing population and to combat exclusion (→ point 155).

# Institutions and other bodies

## **European Parliament**

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Centre européen, plateau du Kirchberg  
L-2929 Luxembourg  
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## **Council of the European Union**

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L-1615 Luxembourg  
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Internet: <http://www.emcdda.eu.int/>

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**European Agency for Safety and Health at Work (EU-OSHA)**

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**European Maritime Safety Agency (AESM)**

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## Publications cited

*General Report on the Activities of the European Union*  
(abbr.: General Report), published annually by the Commission

Works published in conjunction with the General Report:

— *The Agricultural Situation in the European Union*  
(abbr.: Agricultural Report), published annually

— *Report on Competition Policy*  
(abbr.: Competition Report), published annually

*Bulletin of the European Union*  
(abbr.: Bull.), published monthly by the Commission

*Official Journal of the European Union*  
'Legislation' series (abbr.: OJ L)  
'Information and Notices' series (abbr.: OJ C)  
'Supplement' series (abbr.: OJ S)

*Reports of Cases before the Court*  
(abbr.: ECR), published by the Court of Justice in annual series, at irregular intervals throughout the year

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## Annexes

Table I — Co-decision procedure

Table II — Consultation of the European Parliament

Table III — International agreements



	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
143	Reg. (EC) No 450/2003: labour cost index	OJ C 304 E/30.10.2001 COM(2001) 418 Bull. 7/8-2001/1.3.7	OJ C 48/21.2.2002 Bull. 11-2001/1.3.13	OJ C 293 E/28.11.2002 Bull. 1/2-2002/1.3.30 (a)		OJ C 269 E/5.11.2002 Bull. 9-2002/1.3.8					OJ L 69/13.3.2003 Bull. 1/2-2003/1.3.35	
143	Reg. (EC) No 1177/2003: Community statistics on income and living conditions (EU-SILC)	OJ C 103 E/30.4.2002 COM(2001) 754 Bull. 12-2001/1.3.20	OJ C 149/21.6.2002 Bull. 4-2002/1.3.6	OJ C 180 E/31.7.2003 Bull. 5-2002/1.3.9 (b)	COM(2002) 641 Bull. 11-2002/1.3.12	OJ C 107 E/6.5.2003 Bull. 3-2003/1.3.15					OJ L 165/3.7.2003 Bull. 6-2003/1.3.10	
143	Reg. (EC) No 2257/2003 amending Reg. (EC) No 577/98: organisation of a labour force sample survey in the Community	COM(2003) 109 Bull. 3-2003/1.3.16		Bull. 9-2003/1.3.6 (b)	COM(2003) 594 Bull. 10-2003/1.3.14						OJ L 336/23.12.2003	Amended reg.: OJ L 77/14.3.1998
144	Prop. for a reg.: economic accounts for agriculture in the Community	COM(2003) 50 Bull. 1/2-2003/1.3.30		Bull. 9-2003/1.3.7 (a)								
144	Prop. for a dir. amending Dir. 96/16/EC on statistical surveys of milk and milk products	COM(2003) 159 Bull. 4-2003/1.3.2		Bull. 9-2003/1.3.5 (b)	COM(2003) 736 Bull. 11-2003/1.3.16							Dir. to be amended: OJ L 78/28.3.1996
144	Dec. No 2066/2003/EC: continued application of areal surveys and remote sensing techniques to agricultural statistics, amending Dec. No 1445/2000/EC	COM(2003) 218 Bull. 4-2003/1.3.6		Bull. 7/8-2003/1.3.14 (a)							OJ L 309/26.11.2003 Bull. 11-2003/1.3.14	Amended dec.: OJ L 163/4.7.2000
144	Prop. for a dec. amending Reg. (EEC) No 571/88: organisation of Community surveys on the structure of agricultural holdings after enlargement	COM(2003) 605 Bull. 10-2003/1.3.13										Reg. to be amended: OJ L 56/2.3.1998
145	Prop. for a reg.: statistics on the information society	COM(2003) 509 Bull. 7/8-2003/1.3.19										
145	Reg. (EC) No 437/2003: statistics on the carriage of passengers, freight and mail by air	OJ C 325/6.12.1995 COM(95) 353 Bull. 9-1995/1.7.3	OJ C 39/12.2.1996 Bull. 11-1995/1.7.4	OJ C 54/25.2.2000 Bull. 9-1999/1.7.4 OJ C 78/18.3.1996 Bull. 1/2-1996/1.7.3		Bull. 6-2002/1.3.9* OJ C 275 E/12.11.2002 Bull. 9-2002/1.3.11					OJ L 66/11.3.2003 Bull. 1/2-2003/1.3.34	
145	Dec. No 1608/2003/EC: production and development of Community statistics on science and technology	OJ C 332 E/27.11.2001 COM(2001) 490 Bull. 7/8-2001/1.3.10		OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.3.8 (b)	OJ C 45 E/25.2.2003 COM(2002) 554 Bull. 10-2002/1.3.6	OJ C 125 E/27.5.2003 Bull. 3-2003/1.3.19					OJ L 230/16.9.2003 Bull. 7/8-2003/1.3.16	
145	Prop. for a reg.: production of annual Community statistics on steel for the reference years 2003–09	OJ C 45 E/25.2.2003 COM(2002) 584 Bull. 10-2002/1.3.10	OJ C 133/6.6.2003 Bull. 3-2003/1.3.20	Bull. 5-2003/1.3.8 (b)	COM(2003) 464 Bull. 7/8-2003/1.3.17							
<b>Employment and social policy</b>												
<i>Social protection and social security</i>												
156	Prop. for a reg. amending Reg. (EEC) No 1408/71: application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community	COM(2003) 468 Bull. 7/8-2003/1.3.24	Bull. 12-2003/1.3.25									Reg. to be amended: OJ L 149/5.7.1971
156	Prop. for a reg. on the coordination of social security systems	OJ C 38/12.2.1999 COM(1998) 779 Bull. 12-1998/1.2.22	OJ C 75/15.3.2000 Bull. 1/2-2000/1.3.24	Bull. 9-2003/1.3.12 (b)	COM(2003) 596 Bull. 10-2003/1.3.22							
157	Prop. for a reg. amending Reg. (EEC) No 1408/71 (application of social security schemes) and Reg. (EEC) No 574/72	COM(2003) 378 Bull. 6-2003/1.3.19	29.10.2003	Bull. 12-2003/1.3.24	COM(2003) 831 Bull. 12-2003/1.3.24							Regs to be amended: (EEC) No 1408/71 (OJ L 149/5.7.1971) and (EEC) No 574/72 (OJ L 74/27.3.1972)
<i>Labour law and industrial relations</i>												
164	Dir. 2003/88/EC: organisation of working time (consolidated version)	COM(2002) 336	OJ C 61/14.3.2003 Bull. 9-2002/1.3.19	Bull. 12-2002/1.3.23 (a)							OJ L 299/18.11.2003 Bull. 11-2003/1.3.22	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.



	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
200	Prop. for a dir. amending Dirs 72/166/EEC, 84/5/EEC, 88/357/EEC, 90/232/EEC and 2000/26/EC: insurance against civil liability in respect of the use of motor vehicles	OJ C 227 E/24.9.2002 COM(2002) 244 Bull. 6-2002/1.3.33	OJ C 95/23.4.2003 Bull. 1/2-2003/1.3.72	Bull. 10-2003/1.3.31 (b)	Bull. 11-2003/1.3.32*
<i>Free movement of capital</i>					
205	Prop. for a reg.: prevention of money laundering by means of customs cooperation	OJ C 227 E/24.9.2002 COM(2002) 328 Bull. 6-2002/1.3.37		Bull. 5-2003/1.3.32 (b)	COM(2003) 371 Bull. 7/8-2003/1.3.49
<i>Taxation</i>					
206	Prop. for a dir. amending Dir. 77/799/EEC concerning mutual assistance by the competent authorities of the Member States in the field of direct and indirect taxation	COM(2003) 446 Bull. 7/8-2003/1.3.50	30.10.2003		
206	Prop. for a reg. on administrative cooperation in the field of excise duties	COM(2003) 797 Bull. 12-2003/1.3.45			
206	Prop. for a dir. amending Dirs 77/799/EEC and 92/12/EEC concerning mutual assistance by the competent authorities of the Member States in the field of direct taxation, certain excise duties and taxation of insurance premiums	COM(2003) 797 Bull. 12-2003/1.3.45			
211	Dec. No 1152/2003/EC: computerising the movement and surveillance of excisable products	OJ C 51 E/26.2.2002 COM(2001) 466 Bull. 11-2001/1.3.53	OJ C 221/17.9.2002 Bull. 5-2002/1.3.36	OJ C 273 E/14.11.2003 Bull. 9-2002/1.3.41 (b)	COM(2002) 757 Bull. 12-2002/1.3.49 OJ C 64 E/18.3.2003 Bull. 1/2-2003/1.3.77
213	Prop. for a reg. amending Reg. (EEC) No 218/92: administrative cooperation in the field of VAT as regards additional measures regarding supplies of travel services	COM(2003) 78 Bull. 1/2-2003/1.3.78	OJ C 220/16.9.2003 Bull. 6-2003/1.3.41	Bull. 9-2003/1.3.25 (a)	
<i>Company law and corporate governance</i>					
220	Prop. for a dir. on cross-border mergers of companies with share capital	COM(2003) 703 Bull. 11-2003/1.3.39			
222	Dir. 2003/58/EC amending Dir. 68/151/EEC: disclosure requirements in respect of certain types of companies	OJ C 227 E/24.9.2002 COM(2002) 279 Bull. 6-2002/1.3.41	OJ C 85/8.4.2003 Bull. 12-2002/1.3.50	Bull. 3-2003/1.3.48 (b)	
223	Prop. for a dir.: takeover bids	OJ C 45 E/25.2.2003 COM(2002) 534 Bull. 10-2002/1.3.28	OJ C 208/3.9.2003 Bull. 5-2003/1.3.37	Bull. 12-2003/1.3.57	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
						Dirs to be amended: 72/166/EEC (OJ L 103/2.5.1972), 84/5/EEC (OJ L 8/11.1.1984), 88/357/EEC (OJ L 172/4.2.1988), 90/232/EEC (OJ L 129/19.5.1990) and 2000/26/EC (OJ L 181/20.7.2000)
						Dir. to be amended: OJ L 336/27.12.1977
						Dirs to be amended: 77/799/EEC (OJ L 336/27.12.1977) and 92/12/EEC (OJ L 76/23.3.1992)
Bull. 4-2003/1.3.15 (b)	COM(2003) 236				OJ L 162/1.7.2003 Bull. 6-2003/1.3.39	
						Reg. to be amended: OJ L 24/1.2.1992
				Bull. 12-2003/1.3.57		



	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations		
311	Prop. for a dir. amending Dir. 67/548/EEC in order to adapt it to the regulation concerning the registration, evaluation, authorisation and restriction of chemicals (REACH)	COM(2003) 644 Bull. 10-2003/1.3.73										Dir. to be amended: OJ L 196/16.8.1967	311	
311	Dir. 2003/11/EC: 24th amendment of Dir. 76/769/EEC: restrictions on the marketing and use of dangerous substances (pentabromodiphenyl ether)	OJ C 154 E/29.5.2001 COM(2001) 12 Bull. 1/2-2001/1.3.58	OJ C 193/10.7.2001 Bull. 4-2001/1.3.16	OJ C 72 E/21.3.2002 Bull. 9-2001/1.3.25 (b)	OJ C 25 E/29.1.2002 COM(2001) 555 Bull. 9-2001/1.3.25	Bull. 9-2001/1.3.25* OJ C 110 E/7.5.2002 Bull. 12-2001/1.3.45	OJ C 127 E/29.5.2003 Bull. 4-2002/1.3.22 (b)	COM(2002) 334	Bull. 11-2002/1.3.25 (e)	Bull. 12-2002/1.3.37	Bull. 12-2002/1.3.37	OJ L 42/15.2.2003 Bull. 1/2-2003/1.3.126	Amended dir: OJ L 262/27.9.1976	311
311	Dir. 2003/34/EC: 23rd amendment of Dir. 76/769/EEC: restrictions on the marketing and use of certain dangerous substances and preparations	OJ C 213 E/31.7.2001 COM(2001) 256 Bull. 5-2001/1.3.19	OJ C 311/7.11.2001 Bull. 9-2001/1.3.24	OJ C 284 E/21.11.2002 Bull. 1/2-2002/1.3.53 (b)		OJ C 197 E/20.8.2002 Bull. 6-2002/1.3.24	OJ C 279 E/20.11.2003 Bull. 10-2002/1.3.21 (b)	COM(2002) 768 Bull. 12-2002/1.3.38	Bull. 1/2-2003/1.3.124 (e)	Bull. 3-2003/1.3.75	Bull. 4-2003/1.3.36	OJ L 156/25.6.2003	Amended dir.: OJ L 262/27.9.1976	311
311	Dir. 2003/36/EC: 25th amendment of Dir. 76/769/EEC: restrictions on the marketing and use of certain dangerous substances and preparations	OJ C 126 E/28.5.2002 COM(2002) 70 Bull. 1/2-2002/1.3.54	OJ C 221/17.9.2002 Bull. 5-2002/1.3.25	OJ C 261 E/30.10.2003 Bull. 6-2002/1.3.25 (b)		OJ C 64 E/18.3.2003 Bull. 1/2-2003/1.3.125	Bull. 4-2003/1.3.37 (a)					OJ L 156/25.6.2003	Amended dir.: OJ L 262/27.9.1976	311
311	Dir. 2003/53/EC: 26th amendment of Dir. 76/769/EC: restrictions on the marketing and use of nonylphenol, nonylphenol ethoxylate and cement	COM(2002) 459 Bull. 7/8-2002/1.3.26	OJ C 133/6.6.2003 Bull. 3-2003/1.3.74	Bull. 3-2003/1.3.74 (b)								OJ L 178/17.7.2003 Bull. 6-2003/1.3.62	Amended dir.: OJ L 262/27.9.1976	311
311	Reg. (EC) No 2003/2003 relating to fertilisers	OJ C 51 E/26.2.2002 COM(2001) 508 Bull. 9-2001/1.3.20	OJ C 80/3.4.2002 Bull. 1/2-2002/1.3.49	OJ C 127 E/29.5.2003 Bull. 4-2002/1.3.21 (b)	OJ C 227 E/24.9.2002 COM(2002) 318 Bull. 6-2002/1.3.22	Bull. 9-2002/1.3.28* OJ C 153 E/1.7.2003 Bull. 4-2003/1.3.33	Bull. 9-2003/1.3.49 (a)					OJ L 304/21.11.2003		311
311	Prop. for a reg.: detergents	COM(2002) 485 Bull. 9-2002/1.3.27	OJ C 95/23.4.2003 Bull. 1/2-2003/1.3.120	Bull. 4-2003/1.3.32 (b)	COM(2003) 306 Bull. 6-2003/1.3.61	Bull. 5-2003/1.3.67* OJ C 305 E/16.12.2003 Bull. 11-2003/1.3.58								311
311	Prop. for a reg.: drug precursors	OJ C 20 E/28.1.2003 COM(2002) 494 Bull. 9-2002/1.4.9	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.26	Bull. 3-2003/1.3.73 (b)	COM(2003) 304 Bull. 5-2003/1.3.68	Bull. 5-2003/1.3.68* OJ C 277 E/18.11.2003 Bull. 9-2003/1.3.48	Bull. 12-2003/1.3.98							311
311	Prop. for a dir.: application of the principles of good laboratory practice and the verification of their applications for tests on chemical substances	COM(2002) 530 Bull. 9-2002/1.3.32	OJ C 85/8.4.2003 Bull. 1/2-2003/1.3.123	Bull. 7/8-2003/1.3.103 (a)										311
311	Prop. for a dir.: inspection and verification of good laboratory practice (GLP) (consolidated version)	COM(2002) 529 Bull. 9-2002/1.3.32	OJ C 85/8.4.2003 Bull. 1/2-2003/1.3.123	Bull. 7/8-2003/1.3.104 (a)										311
313	Prop. for a dir.: harmonisation of the laws relating to electrical equipment designed for use within certain voltage limits (codified version)	COM(2003) 252 Bull. 5-2003/1.3.65	Bull. 9-2003/1.3.41	Bull. 10-2003/1.3.62 (a)										313
313	Prop. for a dir.: approximation of the laws of the Member States relating to electromagnetic compatibility	COM(2002) 759 Bull. 12-2002/1.3.35	OJ C 220/16.9.2003 Bull. 6-2003/1.3.30											313
313	Prop. for a dir. amending Dir. 95/16/EC (machinery)	OJ C 154 E/29.5.2001 COM(2000) 899 Bull. 1/2-2001/1.3.56	OJ C 311/7.11.2001 Bull. 9-2001/1.3.21	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.3.25 (b)	COM(2003) 48 Bull. 1/2-2003/1.3.119							Dir. to be amended: OJ L 213/7.9.1995	313	
317	Prop. for a dir.: measuring instruments	OJ C 62 E/27.2.2001 COM(2000) 566 Bull. 9-2000/1.3.22	OJ C 139/11.5.2001 Bull. 3-2001/1.3.33	OJ C 65 E/14.3.2002 Bull. 7/8-2001/1.3.25 (b)	OJ C 126 E/28.5.2002 COM(2002) 37 Bull. 1/2-2002/1.3.50	Bull. 5-2003/1.3.64* OJ C 252 E/21.10.2003 Bull. 7/8-2003/1.3.95	Bull. 12-2003/1.3.89							317
318	Prop. for a reg.: Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Agency for the Evaluation of Medicinal Products	OJ C 75 E/26.3.2002 COM(2001) 404	OJ C 61/14.3.2003 Bull. 9-2002/1.3.30	OJ C 300 E/11.12.2003 Bull. 10-2002/1.3.20 (b)	COM(2002) 735 Bull. 12-2002/1.3.36	Bull. 6-2003/1.3.65* OJ C 297 E/9.12.2003 Bull. 9-2003/1.3.47	Bull. 12-2003/1.3.96							318
318	Prop. for a dir. amending Dir. 2001/83/EC on the Community code relating to medicinal products for human use	OJ C 75 E/26.3.2002 COM(2001) 404	OJ C 61/14.3.2003 Bull. 9-2002/1.3.30	OJ C 300 E/11.12.2003 Bull. 10-2002/1.3.20 (b)	COM(2003) 163 Bull. 4-2003/1.3.34	Bull. 6-2003/1.3.65* OJ C 297 E/9.12.2003 Bull. 9-2003/1.3.47	Bull. 12-2003/1.3.94					Dir. to be amended: OJ L 311/28.11.2001	318	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	
318	Prop. for a dir. amending Dir. 2001/82/EC on the Community code relating to veterinary medicinal products	OJ C 75 E/26.3.2002 COM(2001) 404	OJ C 61/14.3.2003 Bull. 9-2002/1.3.30	OJ C 300 E/11.12.2003 Bull. 10-2002/1.3.20 (b)	COM(2003) 163 Bull. 4-2003/1.3.34	OJ C 297 E/9.12.2003 Bull. 9-2002/1.3.47
318	Prop. for a dir. amending Dir. 2001/83/EC: traditional herbal medicinal products	OJ C 126 E/28.5.2002 COM(2002) 1 Bull. 1/2-2002/1.3.52	OJ C 61/14.3.2003 Bull. 9-2002/1.3.31	Bull. 11-2002/1.3.24 (b)	COM(2003) 161 Bull. 4-2003/1.3.35	OJ C 305 E/16.12.2003 Bull. 11-2003/1.3.57
320	Dir. 2003/15/EC: seventh amendment of Dir. 76/768/EEC: approximation of the laws relating to cosmetic products	OJ C 311/31.10.2000 COM(2000) 189 Bull. 4-2000/1.3.15	OJ C 367/20.12.2000 Bull. 9-2000/1.3.21	OJ C 21 E/24.1.2002 Bull. 4-2001/1.3.15 (b)	OJ C 51 E/26.2.2002 COM(2001) 697 Bull. 11-2001/1.3.35	Bull. 11-2001/1.3.35* OJ C 113 E/14.5.2002 Bull. 1/2-2002/1.3.51
321	Dir. 2003/44/EC amending Dir. 94/25/EC: recreational craft	OJ C 62 E/27.2.2001 COM(2000) 639 Bull. 10-2000/1.3.24	OJ C 155/29.5.2001 Bull. 3-2001/1.3.31	OJ C 65 E/14.3.2002 Bull. 7/8-2001/1.3.21 (b)	OJ C 51 E/26.2.2002 COM(2001) 636	Bull. 10-2001/1.3.30* OJ C 170 E/16.7.2002 Bull. 4-2002/1.3.20
322	Dir. 2003/37/EC: EC type-approval of agricultural and forestry tractors, their trailers and interchangeable towed equipment, together with their systems, components and separate technical units	OJ C 151 E/25.6.2002 COM(2002) 6 Bull. 1/2-2002/1.3.57	OJ C 221/17.9.2002 Bull. 5-2002/1.3.26	OJ C 127 E/29.5.2003 Bull. 4-2002/1.3.25 (a)		Bull. 6-2002/1.3.28* OJ C 84 E/8.4.2003 Bull. 12-2002/1.3.39
322	Prop. for a dir.: approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles	COM(2003) 418 Bull. 7/8-2003/1.3.99				
322	Prop. for a dir.: passenger hand-holds on two-wheel motor vehicles (consolidated version)	COM(2003) 145 Bull. 3-2003/1.3.76	OJ C 234/30.9.2003 Bull. 7/8-2003/1.3.100	Bull. 10-2003/1.3.67 (a)		
322	Prop. for a dir.: stands for two-wheel motor vehicles (consolidated version)	COM(2003) 147 Bull. 3-2003/1.3.76	OJ C 234/30.9.2003 Bull. 7/8-2003/1.3.100	Bull. 10-2003/1.3.68 (a)		
322	Dir. 2003/20/EC amending Dir. 91/671/EEC: compulsory use of safety belts in vehicles of less than 3.5 tonnes	OJ C 96 E/27.3.2001 COM(2000) 815 Bull. 12-2000/1.4.55	OJ C 260/17.9.2001 Bull. 7/8-2001/1.4.35	OJ C 47 E/21.2.2002 Bull. 5-2001/1.4.61 (b)		Bull. 6-2002/1.4.49* OJ C 299 E/3.12.2002 Bull. 11-2002/1.4.67
322	Prop. for a dir. amending Dir. 74/408/EEC: seats, anchorages and head restraints of motor vehicles	COM(2003) 361 Bull. 6-2003/1.3.64	Bull. 12-2003/1.3.90	Bull. 12-2003/1.3.90		
322	Prop. for a dir. amending Dir. 76/115/EEC: approximation of the laws of the Member States relating to anchorages for motor-vehicle safety belts	COM(2003) 362 Bull. 6-2003/1.3.64	Bull. 12-2003/1.3.91	Bull. 12-2003/1.3.91		
322	Prop. for a dir. amending Dir. 77/541/EEC: approximation of the laws of the Member States relating to safety belts and restraint systems of motor vehicles	COM(2003) 363 Bull. 6-2003/1.3.64	Bull. 12-2003/1.3.92	Bull. 12-2003/1.3.92		
322	Prop. for a dir. amending Dir. 92/24/EEC: speed limitation devices or similar speed limitation on-board systems of certain categories of motor vehicles	COM(2003) 350 Bull. 6-2003/1.3.63	Bull. 12-2003/1.3.93	Bull. 10-2003/1.3.64 (a)		
322	Prop. for a dir.: mirrors and supplementary systems for indirect vision	OJ C 126 E/28.5.2002 COM(2001) 811 Bull. 1/2-2002/1.3.56	OJ C 149/21.6.2002 Bull. 4-2002/1.3.24	OJ C 127 E/29.5.2003 Bull. 4-2002/1.3.24 (a)		OJ C 214 E/9.9.2003 Bull. 4-2003/1.3.39
322	Dir. 2003/102/EC: protection of pedestrians and other vulnerable road users	COM(2003) 67 Bull. 1/2-2003/1.3.127	OJ C 234/30.9.2003 Bull. 7/8-2003/1.3.97	Bull. 7/8-2003/1.3.97 (b)	COM(2003) 553 Bull. 9-2003/1.3.44	
322	Prop. for a dir.: use of frontal protection systems on motor vehicles and amending Dir. 70/156/EEC	COM(2003) 586 Bull. 10-2003/1.3.65				
326	Prop. for a dec.: interoperable delivery of pan-European e-government services to public administrations, businesses and citizens (IDABC)	COM(2003) 406 Bull. 7/8-2003/1.3.94	Bull. 12-2003/1.3.88 Bull. 11-2003/1.3.55 <sup>o</sup>	Bull. 11-2003/1.3.55 (b)		Bull. 11-2003/1.3.55*

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

(1) a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
Bull. 12-2003/1.3.95						Dir. to be amended: OJ L 311/28.11.2001
Bull. 12-2003/1.3.97						Dir. to be amended: OJ L 311/28.11.2001
OJ C 261 E/30.10.2003 Bull. 6-2002/1.3.23 (b)	COM(2002) 435	3.12.2002	Bull. 1/2-2003/1.3.122	Bull. 1/2-2003/1.3.122	OJ L 66/11.3.2003 Bull. 1/2-2003/1.3.122	Amended dir: OJ L 262/27.9.1976
OJ C 273 E/14.11.2003 Bull. 9-2002/1.3.26 (b)	COM(2002) 602 Bull. 11-2002/1.3.23	Bull. 3-2003/1.3.72 (e)	Bull. 5-2003/1.3.66	Bull. 5-2003/1.3.66	OJ L 214/26.8.2003	Amended dir: OJ L 164/30.6.1994
Bull. 4-2003/1.3.38 (a)					OJ L 171/9.7.2003	
Bull. 3-2003/1.4.43 (a)					OJ L 115/9.5.2003 Bull. 4-2003/1.4.42	Amended dir: OJ L 373/31.12.1991
						Dir. to be amended: OJ L 221/12.8.1974
						Dir. to be amended: OJ L 24/30.1.1976
						Dir. to be amended: OJ L 220/29.8.1977
						Dir. to be amended: OJ L 129/14.5.1992
Bull. 7/8-2003/1.3.96 (b)	COM(2003) 547 Bull. 9-2003/1.3.46					
				22.9.2003*	OJ L 321/6.12.2003 Bull. 11-2003/1.3.56	
						Dir. to be amended: OJ L 42/23.2.1970

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	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
<b>Research and technology policy</b>					
<i>Community RTD policy</i>					
336	Dec. No 1209/2003/EC: Community participation in a programme aimed at developing new clinical interventions to combat HIV/AIDS, malaria and tuberculosis	COM(2002) 474 Bull. 7/8-2002/1.3.86	OJ C 133/6.6.2003 Bull. 3-2003/1.3.80	Bull. 3-2003/1.3.80 (b)	COM(2003) 223 Bull. 4-2003/1.3.44
<b>Information society</b>					
<i>eEurope initiative</i>					
380	Dec. No 2256/2003/EC: adoption of a multiannual programme (2003–05) for the monitoring of eEurope	OJ C 291 E/26.11.2002 COM(2002) 425 Bull. 7/8-2002/1.3.89	OJ C 61/14.3.2003 Bull. 10-2002/1.3.59 OJ C 128/29.5.2003 Bull. 1/2-2003/1.3.139 <sup>o</sup>	Bull. 1/2-2003/1.3.139 (b)	COM(2003) 160 Bull. 4-2003/1.3.49
383	Dir. 2003/98/EC: reuse and commercial exploitation of public sector documents	OJ C 227 E/24.9.2002 COM(2002) 207 Bull. 6-2002/1.3.95	OJ C 85/8.4.2003 Bull. 12-2002/1.3.91 OJ C 73/26.3.2003 Bull. 11-2002/1.3.74 <sup>o</sup>	Bull. 1/2-2003/1.3.140 (b)	COM(2003) 119 Bull. 3-2003/1.3.85
384	Dec. No 1151/2003/EC amending Dec. No 276/1999/EC: action plan on promoting safer use of the Internet by combating illegal and harmful content on global networks	OJ C 203 E/27.8.2002 COM(2002) 152 Bull. 3-2002/1.3.67	OJ C 61/14.3.2003 Bull. 9-2002/1.3.73 OJ C 73/26.3.2003 Bull. 11-2002/1.3.73 <sup>o</sup>	Bull. 3-2003/1.3.84 (b)	
<i>Electronic communications</i>					
390	Prop. for a reg.: European Network and Information Security Agency	COM(2003) 63 Bull. 1/2-2003/1.3.146	OJ C 220/16.9.2003 Bull. 6-2003/1.3.79	Bull. 11-2003/1.3.83 (b)	
<b>Trans-European networks (TENs)</b>					
<i>General approach</i>					
430	Prop. for a reg. amending Reg. (EC) No 2236/95: general rules for the granting of Community financial aid in the field of trans-European networks	COM(2003) 220 Bull. 4-2003/1.3.56	OJ C 234/30.9.2003	Bull. 11-2003/1.3.88 (a)	
430	Prop. for a reg. amending Reg. (EC) No 2236/95: granting of Community financial aid in the field of trans-European networks	OJ C 75 E/26.3.2002 COM(2001) 545 Bull. 10-2001/1.3.112	OJ C 125/27.5.2002 Bull. 3-2002/1.3.76	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.3.96 (b)	OJ C 151 E/25.6.2002 COM(2002) 134 Bull. 3-2002/1.3.76 OJ C 311/20.12.2003 COM(2003) 38 Bull. 1/2-2003/1.3.152 COM(2003) 561 Bull. 10-2003/1.3.94
<i>Transport</i>					
431	Prop. for a dir.: widespread introduction and interoperability of electronic road toll systems in the Community	COM(2003) 132 Bull. 4-2003/1.4.40	Bull. 10-2003/1.4.55 Bull. 11-2003/1.4.72 <sup>o</sup>	Bull. 12-2003/1.4.79	
431	Prop. for a dec. amending Dec. No 1692/96/EC: Community guidelines for the development of the trans-European transport network	OJ C 362 E/18.12.2001 COM(2001) 544 Bull. 10-2001/1.3.113	OJ C 125/27.5.2002 Bull. 3-2002/1.3.77 OJ C 278/14.11.2002 Bull. 5-2002/1.3.85 <sup>o</sup>	OJ C 187 E/7.8.2003 Bull. 5-2002/1.3.85 (b)	OJ C 20 E/28.1.2003 Bull. 12-2003/1.3.119

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
					OJ L 169/8.7.2003 Bull. 6-2003/1.3.68	336
Bull. 9-2003/1.3.61 (b)	COM(2003) 637 Bull. 10-2003/1.3.84				OJ L 336/23.12.2003	380
Bull. 9-2003/1.3.62 (b)	COM(2003) 620 Bull. 10-2003/1.3.85				OJ L 345/31.12.2003	383
					OJ L 162/1.7.2003 Bull. 6-2003/1.3.77	Amended dec.: OJ L 33/6.2.1999
				Bull. 11-2003/1.3.83*		390
					Reg. to be amended: OJ L 228/23.9.1995	430
					Reg. to be amended: OJ L 228/23.9.1995	430
						431
					Dec. to be amended: OJ L 228/9.9.1996	431



	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations	
559	Dec. No 2317/2003/EC: programme for the enhancement of quality in higher education and the promotion of intercultural understanding through cooperation with third countries (Erasmus World 2004–08)	OJ C 331 E/31.12.2002 COM(2002) 401 Bull. 7/8-2002/1.4.9	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.35 OJ C 244/10.10.2003 Bull. 4-2003/1.4.17 <sup>o</sup>	Bull. 4-2003/1.4.17 (b)	COM(2003) 239 Bull. 4-2003/1.4.17	Bull. 5-2003/1.4.23* OJ C 240 E/16.6.2003 Bull. 6-2003/1.4.38	Bull. 10-2003/1.4.20 (b)	COM(2003) 694 Bull. 11-2003/1.4.43			OJ L 345/31.12.2003 Bull. 12-2003/1.4.32	559	
<i>Youth</i>													
566	Prop. for a dec.: Community action programme to promote bodies active at European level in the field of youth	COM(2003) 272 Bull. 5-2003/1.4.26	Bull. 9-2003/1.4.15	Bull. 11-2003/1.4.40 (b)		Bull. 11-2003/1.4.40*						566	
<i>Culture</i>													
572	Prop. for a dec.: Community action programme to promote bodies active at European level in the field of culture	COM(2003) 275 Bull. 5-2003/1.4.30		Bull. 11-2003/1.4.44 (b)		Bull. 11-2003/1.4.44*						572	
573	Prop. for a dec. amending Dec. No 508/2000/EC: Culture 2000 programme	COM(2003) 187 Bull. 4-2003/1.4.18	Bull. 10-2003/1.4.21 <sup>o</sup>	Bull. 12-2003/1.4.33								Dec. to be amended: OJ L 63/10.3.2000	573
574	Prop. for a dec. amending Dec. 1419/1999/EC establishing a Community action for the 'European Capital of Culture' event for the years 2005 to 2019	COM(2003) 700 Bull. 11-2003/1.4.45										Dec. to be amended: OJ L 166/1.7.1999	574
<i>Audiovisual sector</i>													
580	Prop. for a dec. amending Dec. 2000/821/EC: implementation of a programme to encourage the development, distribution and promotion of European audiovisual works (MEDIA Plus)	COM(2003) 191 Bull. 4-2003/1.4.20	24.9.2003 Bull. 10-2003/1.4.22 <sup>o</sup>									Dec. to be amended: OJ L 336/30.12.2000	580
580	Prop. for a dec. amending Dec. No 163/2001/EC: implementation of a training programme for professionals in the European audiovisual programme industry (MEDIA Training)	COM(2003) 188 Bull. 4-2003/1.4.21	Bull. 9-2003/1.4.18 Bull. 10-2003/1.4.22 <sup>o</sup>									Dec. to be amended: OJ L 26/27.1.2001	580
582	Prop. for a dec. amending Dec. 1999/784/EC concerning Community participation in the European Audiovisual Observatory	COM(2003) 763 Bull. 12-2003/1.4.35										Dec. to be amended: OJ L 307/2.12.1999	582
<i>Sport</i>													
584	Dec. No 291/2003/EC: European Year of Education through Sport 2004	OJ C 25 E/29.1.2002 COM(2001) 584 Bull. 10-2001/1.4.22	OJ C 149/21.6.2002 Bull. 4-2002/1.4.39 OJ C 278/14.11.2002 Bull. 5-2002/1.4.31 <sup>o</sup>	OJ C 180 E/31.7.2003 Bull. 5-2002/1.4.31 (b)		Bull. 5-2002/1.4.31* OJ C 275 E/12.11.2002 Bull. 10-2002/1.4.25	Bull. 12-2002/1.4.38 (a)				OJ L 43/18.2.2003 Bull. 1/2-2003/1.4.37	584	
<i>Environment</i>													
<i>Climate change</i>													
591	Dir. 2003/87/EC amending Dir. 96/61/EC establishing a scheme for greenhouse gas emission allowance trading within the Community	OJ C 75 E/26.3.2002 COM(2001) 581 Bull. 10-2001/1.4.44	OJ C 221/17.9.2002 Bull. 5-2002/1.4.45 OJ C 192/12.8.2002 <sup>o</sup>	OJ C 279 E/20.11.2003 Bull. 10-2002/1.4.44 (b)	COM(2002) 680 Bull. 11-2002/1.4.55	Bull. 12-2002/1.4.60* OJ C 125 E/27.5.2003 Bull. 3-2003/1.4.27	Bull. 7/8-2003/1.4.25 (b)	COM(2003) 463 Bull. 7/8-2003/1.4.25			OJ L 275/25.10.2003 Bull. 10-2003/1.4.41	Amended dir.: OJ L 257/10.10.1996	591
591	Prop. for a dec.: monitoring mechanism of greenhouse gas emissions and implementation of the Kyoto Protocol	COM(2003) 51 Bull. 1/2-2003/1.4.52	OJ C 234/30.9.2003 Bull. 7/8-2003/1.4.26	Bull. 10-2003/1.4.42 (b)								591	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
591	Prop. for a dir.: scheme for greenhouse gas emission allowance trading within the Community, in respect of the Kyoto Protocol's project mechanisms	COM(2003) 403 Bull. 7/8-2003/1.4.27	Bull. 12-2003/1.4.60		
593	Prop. for a reg. on certain fluorinated greenhouse gases	COM(2003) 492 Bull. 7/8-2003/1.4.28			
593	Reg. (EC) No 1804/2003 amending Reg. (EC) No 2037/2000: substances which deplete the ozone layer, as regards the critical uses and export of halons and the export of products and equipment	OJ C 45 E/25.2.2003 COM(2002) 642 Bull. 11-2002/1.4.53	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.50	Bull. 6-2003/1.4.57 (b)	
<i>Protection of nature and biodiversity, forests</i>					
595	Reg. (EC) No 2152/2003: monitoring of forests and environmental interactions in the Community (Forest Focus)	OJ C 20 E/28.1.2003 COM(2002) 404 Bull. 7/8-2002/1.4.16	OJ C 85/8.4.2003 Bull. 12-2002/1.4.46 OJ C 128/29.5.2003 Bull. 1/2-2003/1.4.45 <sup>o</sup>	Bull. 1/2-2003/1.4.45 (b)	Bull. 3-2003/1.4.19* OJ C 233 E/30.9.2003 Bull. 6-2003/1.4.50
599	Prop. for a dir.: protection of groundwater against pollution	COM(2003) 550 Bull. 9-2003/1.4.22			
599	Prop. for a dir.: quality of bathing water	OJ C 45 E/25.2.2003 COM(2002) 581 Bull. 10-2002/1.4.31	OJ C 220/16.9.2003 Bull. 6-2003/1.4.48 OJ C 244/10.10.2003 Bull. 4-2003/1.4.25 <sup>o</sup>	Bull. 10-2003/1.4.30 (b)	
601	Dir. 2003/105/EC amending Dir. 96/82/EC: control of major-accident hazards involving dangerous substances (Seveso II)	OJ C 75 E/26.3.2002 COM(2001) 624 Bull. 12-2001/1.4.41	OJ C 149/21.6.2002 Bull. 4-2002/1.4.46	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.18 (b)	OJ C 20 E/28.1.2003 COM(2002) 540 Bull. 9-2002/1.4.32 Bull. 10-2002/1.4.34* OJ C 102 E/29.4.2003 Bull. 1/2-2003/1.4.47
<i>Environment and health</i>					
605	Dir. 2003/65/EC amending Council Dir. 86/609/EEC on the approximation of provisions regarding the protection of animals used for experimental and other scientific purposes	OJ C 25 E/29.1.2002 COM(2001) 703 Bull. 11-2001/1.4.88	OJ C 94/18.4.2002 Bull. 1/2-2002/1.4.114	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.60 (a)	OJ C 113 E/13.5.2003 Bull. 3-2003/1.4.65
607	Reg. (EC) No 304/2003: export and import of dangerous chemicals	OJ C 126 E/28.5.2002 COM(2001) 803 Bull. 1/2-2002/1.4.57	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.21	OJ C 300 E/11.12.2003 Bull. 10-2002/1.4.37	
608	Prop. for a reg.: persistent organic pollutants and amending Dirs 79/117/EEC and 96/59/EC	COM(2003) 333 Bull. 6-2003/1.4.55	Bull. 10-2003/1.4.40		
610	Reg. (EC) No 1946/2003: transboundary movement of genetically modified organisms	OJ C 151 E/25.6.2002 COM(2002) 85 Bull. 1/2-2002/1.4.59	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.23 OJ C 278/14.11.2002 <sup>o</sup>	OJ C 273 E/14.11.2003 Bull. 9-2002/1.4.35 (b)	COM(2002) 578 Bull. 10-2002/1.4.41 Bull. 10-2002/1.4.41* OJ C 107 E/6.5.2003 Bull. 3-2003/1.4.21
610	Reg. (EC) No 1830/2003: traceability and labelling of genetically modified organisms and of food and feed products produced from GMOs and amending Dir. 2001/18/EC	OJ C 304 E/30.10.2001 COM(2001) 182 Bull. 7/8-2001/1.4.40	OJ C 125/27.5.2002 Bull. 3-2002/1.4.60 OJ C 278/14.11.2002 Bull. 5-2002/1.4.71 <sup>o</sup>	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.55 (b)	OJ C 331 E/31.12.2002 COM(2002) 515 Bull. 9-2002/1.4.63 Bull. 12-2002/1.4.84* OJ C 113 E/13.5.2003 Bull. 3-2003/1.4.61
611	Prop. for a dir.: arsenic, cadmium, mercury, nickel and polycyclic aromatic hydrocarbons in ambient air	COM(2003) 423 Bull. 7/8-2003/1.4.23			
611	Prop. for a dir.: limitation of emissions of volatile organic compounds and amending Dir. 1999/13/EC	COM(2002) 750 Bull. 12-2002/1.4.58	OJ C 220/16.9.2003 Bull. 6-2003/1.4.58	Bull. 9-2003/1.4.27 (b)	Bull. 10-2003/1.4.37*

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
					OJ L 265/16.10.2003	Amended reg.: OJ L 244/29.9.2000
Bull. 10-2003/1.4.32 (b)	COM(2003) 738				OJ L 324/11.12.2003 Bull. 11-2003/1.4.59	
Bull. 6-2003/1.4.51 (b)	COM(2003) 460 Bull. 7/8-2003/1.4.19	9.9.2003	Bull. 11-2003/1.4.60	Bull. 12-2003/1.4.50	OJ L 345/31.12.2003	Amended dir.: OJ L 10/14.1.1997
Bull. 6-2003/1.4.97 (a)					OJ L 230/16.9.2003 Bull. 7/8-2003/1.4.72	Amended dir.: OJ L 358/18.12.1986
					OJ L 63/6.3.2003 Bull. 1/2-2003/1.4.48	
						Dirs to be amended: 79/117/EEC (OJ L 33/8.2.1979) and 96/59/EC (OJ L 243/24.9.1996)
Bull. 6-2003/1.4.52 (b)	COM(2003) 360 Bull. 6-2003/1.4.52				OJ L 287/5.11.2003	
Bull. 7/8-2003/1.4.55 (b)	COM(2003) 461 Bull. 7/8-2003/1.4.55				OJ L 268/18.10.2003 Bull. 9-2003/1.4.48	Amended dir.: OJ L 106/17.4.2001
						Dir. to be amended: OJ L 85/29.3.1999

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
612	Prop. for a dir.: measures to be taken against the emission of gaseous and particulate pollutants from ignition engines for use in vehicles	COM(2003) 522 Bull. 9-2003/1.4.26			
612	Prop. for a dir. amending Dir. 1999/32/EC: sulphur content of marine fuels	OJ C 45 E/25.2.2003 COM(2002) 595 Bull. 11-2002/1.4.52	OJ C 208/3.9.2003 Bull. 5-2003/1.4.42	Bull. 6-2003/1.4.56 (b)	COM(2003) 476 Bull. 7/8-2003/1.4.24
613	Dir. 2003/17/EC: quality of petrol and diesel fuels and amending Dir. 98/70/EC	OJ C 213 E/31.7.2001 COM(2001) 241 Bull. 5-2001/1.4.43	OJ C 36/8.2.2002 Bull. 10-2001/1.4.33	OJ C 153 E/27.6.2002 Bull. 11-2001/1.4.55 (b)	Bull. 12-2001/1.4.44* OJ C 145 E/18.6.2002 Bull. 4-2002/1.4.47
<i>Management of resources</i>					
615	Prop. for a reg.: shipments of waste	COM(2003) 379 Bull. 6-2003/1.4.46		Bull. 11-2003/1.4.51 (b)	
615	Prop. for a dir. on waste (codified version)	COM(2003) 731 Bull. 11-2003/1.4.57			
615	Dir. 2002/96/EC: waste electrical and electronic equipment	OJ C 365 E/19.12.2000 COM(2000) 347 Bull. 6-2000/1.4.30	OJ C 116/20.4.2001 Bull. 11-2000/1.4.34 OJ C 148/18.5.2001 Bull. 1/2-2001/1.4.33 <sup>o</sup>	OJ C 34 E/7.2.2002 Bull. 5-2001/1.4.35 (b)	OJ C 240 E/28.8.2001 COM(2001) 315 Bull. 6-2001/1.4.28
615	Dir. 2002/95/EC: restriction of the use of certain hazardous substances in electrical and electronic equipment	OJ C 365 E/19.12.2000 COM(2000) 347 Bull. 6-2000/1.4.30	OJ C 116/20.4.2001 Bull. 11-2000/1.4.34 OJ C 148/18.5.2001 Bull. 1/2-2001/1.4.33 <sup>o</sup>	OJ C 34 E/7.2.2002 Bull. 5-2001/1.4.35 (b)	OJ C 240 E/28.8.2001 COM(2001) 316 Bull. 6-2001/1.4.28
615	Dir. 2003/108/EC amending Dir. 2002/96/EC: waste electrical and electronic equipment	COM(2003) 219 Bull. 4-2003/1.4.24	OJ C 234/30.9.2003 Bull. 7/8-2003/1.4.18	Bull. 10-2003/1.4.26 (a)	
615	Prop. for a dir.: management of waste from the extractive industries	COM(2003) 319 Bull. 6-2003/1.4.43	Bull. 12-2003/1.4.47		
615	Prop. for a dir. on batteries and accumulators and spent batteries and accumulators	COM(2003) 723 Bull. 11-2003/1.4.55			
615	Prop. for a dir. amending Dir. 94/62/EC on packaging and packaging waste	OJ C 103 E/30.4.2002 COM(2001) 729 Bull. 12-2001/1.4.37	OJ C 221/17.9.2002 Bull. 5-2002/1.4.40	OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.25 (b)	Bull. 10-2002/1.4.29* OJ C 107 E/6.5.2003 Bull. 3-2003/1.4.16
<i>Strategic approaches and instruments</i>					
626	Prop. for a dir.: environmental liability with regard to the prevention and remedying of environmental damage	OJ C 151 E/25.6.2002 COM(2002) 17 Bull. 1/2-2002/1.4.67	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.29	Bull. 5-2003/1.4.46 (b)	Bull. 6-2003/1.4.60* OJ C 277 E/18.11.2003 Bull. 9-2003/1.4.28
629	Dir. 2003/4/EC: public access to environmental information	OJ C 337 E/28.11.2000 COM(2000) 402 Bull. 6-2000/1.4.41	OJ C 116/20.4.2001 Bull. 11-2000/1.4.45 OJ C 148/18.5.2001 Bull. 1/2-2001/1.4.46 <sup>o</sup>	OJ C 343/5.12.2001 Bull. 3-2001/1.4.38 (b)	OJ C 240 E/28.8.2001 COM(2001) 303 Bull. 6-2001/1.4.41
629	Dir. 2003/35/EC: public participation in the drawing up of plans and programmes relating to the environment and amendment of Dir. 85/337/EEC and 96/61/EC	OJ C 154 E/29.5.2001 COM(2000) 839 Bull. 1/2-2001/1.4.45	OJ C 221/7.8.2001 Bull. 5-2001/1.4.50 OJ C 357/14.12.2001 Bull. 6-2001/1.4.42 <sup>o</sup>	OJ C 112 E/9.5.2002 Bull. 10-2001/1.4.48 (b)	OJ C 75 E/26.3.2002 COM(2001) 779 Bull. 12-2001/1.4.50
629	Prop. for a dir.: access to justice in environmental matters	COM(2003) 624 Bull. 10-2003/1.4.43			

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
						Dir. to be amended: OJ L 121/11.5.1999
OJ C 273 E/14.11.2003 Bull. 9-2002/1.4.37 (b)	COM(2002) 604 Bull. 10-2002/1.4.43	Bull. 12-2002/1.4.57 (e)	Bull. 1/2-2003/1.4.49	Bull. 1/2-2003/1.4.49	OJ L 76/22.3.2003 Bull. 3-2003/1.4.25	Amended dir.: OJ L 350/28.12.1998
OJ C 127 E/29.5.2003 Bull. 4-2002/1.4.40 (b)	COM(2002) 353 Bull. 6-2002/1.4.35	Bull. 10-2002/1.4.28 (e)	Bull. 12-2002/1.4.44	Bull. 12-2002/1.4.44	OJ L 37/13.2.2003 Bull. 1/2-2003/1.4.43	
OJ C 127 E/29.5.2003 Bull. 4-2002/1.4.40 (b)	COM(2002) 354 Bull. 6-2002/1.4.35	Bull. 10-2002/1.4.28 (e)	Bull. 12-2002/1.4.44	Bull. 12-2002/1.4.44	OJ L 37/13.2.2003 Bull. 1/2-2003/1.4.43	
					OJ L 345/31.12.2003	Amended dir.: OJ L 37/13.2.2003
Bull. 7/8-2003/1.4.17 (b)	COM(2003) 536 Bull. 9-2003/1.4.21	Bull. 12-2003/1.4.44				Dir. to be amended: OJ L 365/31.12.1994
Bull. 12-2003/1.4.61						
OJ C 187 E/7.8.2003 Bull. 5-2002/1.4.46 (b)	COM(2002) 498 Bull. 9-2002/1.4.41	Bull. 11-2002/1.4.56 (e)	Bull. 12-2002/1.4.62	Bull. 12-2002/1.4.62	OJ L 41/14.2.2003 Bull. 1/2-2003/1.4.56	
OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.39 (b)	COM(2002) 586 Bull. 10-2002/1.4.47	Bull. 12-2002/1.4.61 (e)	Bull. 1/2-2003/1.4.55	Bull. 3-2003/1.4.31	OJ L 156/25.6.2003	Amended dirs: 85/337/EEC (OJ L 175/5.7.1985) and 96/61/EC (OJ L 257/10.10.1996)

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	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
629	Prop. for a reg.: application of the provisions of the Aarhus Convention on access to information, public participation in decision-making and access to justice in environmental matters to EC institutions and bodies	COM(2003) 622 Bull. 10-2003/1.4.45			
630	Prop. for a reg. amending Reg. (EC) No 1655/2000: financial instrument for the environment (LIFE)	COM(2003) 402 Bull. 7/8-2003/1.4.29	Bull. 9-2003/1.4.29		
630	Prop. for a reg. amending Reg. (EC) No 1655/2000: financial instrument for the environment (LIFE)	COM(2003) 667 Bull. 11-2003/1.4.68	Bull. 12-2003/1.4.62		

## Energy

### General strategy

635	Dec. No 1230/2003/EC: Intelligent energy for Europe programme (2003–06)	OJ C 203 E/27.8.2002 COM(2002) 162 Bull. 4-2002/1.4.55	OJ C 61/14.3.2003 Bull. 9-2002/1.4.42 OJ C 73/26.3.2003 Bull. 11-2002/1.4.57 <sup>o</sup>	Bull. 11-2002/1.4.57 (b)	Bull. 11-2002/1.4.57* OJ C 64 E/18.3.2003 Bull. 1/2-2003/1.4.57
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### Security of supply

640	Prop. for a dir. concerning measures to safeguard security of electricity supply and infrastructure investment	COM(2003) 740 Bull. 12-2003/1.4.67			
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### Internal energy market

641	Dir. 2003/54/EC repealing Dir. 96/92/EC (internal market in electricity) and Dir. 2003/55/EC repealing Dir. 98/30/EC (internal market in natural gas)	OJ C 240 E/28.8.2001 COM(2001) 125 Bull. 3-2001/1.4.43	OJ C 36/8.2.2002 Bull. 10-2001/1.4.52	OJ C 47 E/27.2.2003 Bull. 3-2002/1.4.38 (b)	OJ C 227 E/24.9.2002 COM(2002) 304 Bull. 6-2002/1.4.45	Bull. 11-2002/1.4.58* OJ C 50 E/4.3.2003 Bull. 1/2-2003/1.4.58
641	Reg. (EC) No 1228/2003: conditions for access to the network for cross-border exchanges in electricity	OJ C 240 E/28.8.2001 COM(2001) 125 Bull. 3-2001/1.4.43	OJ C 36/8.2.2002 Bull. 10-2001/1.4.52	OJ C 47 E/27.2.2003 Bull. 3-2002/1.4.39 (b)	OJ C 227 E/24.9.2002 COM(2002) 304 Bull. 6-2002/1.4.45	Bull. 11-2002/1.4.58* OJ C 50 E/4.3.2003 Bull. 1/2-2003/1.4.58
641	Prop. for a reg. on conditions for access to the gas transmission networks	COM(2003) 741 Bull. 12-2003/1.4.70				
642	Prop. for a dir.: alignment of measures to safeguard the supply of petroleum products	OJ C 331 E/31.12.2002 COM(2002) 488 Bull. 9-2002/1.4.43	OJ C 133/6.6.2003 Bull. 3-2003/1.4.35			
642	Prop. for a dir.: measures to safeguard the supply of natural gas	OJ C 331 E/31.12.2002 COM(2002) 488 Bull. 9-2002/1.4.43	OJ C 133/6.6.2003 Bull. 3-2003/1.4.35	Bull. 9-2003/1.4.31 (b)		

### New and renewable energy sources

644	Dir. 2003/30/EC promoting the use of biofuels for transport	OJ C 103 E/30.4.2002 COM(2001) 547 Bull. 11-2001/1.4.64	OJ C 149/21.6.2002 Bull. 4-2002/1.4.56 OJ C 278/14.11.2002 Bull. 5-2002/1.4.49 <sup>o</sup>	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.34 (b)	OJ C 331 E/31.12.2002 COM(2002) 508 Bull. 9-2002/1.4.44	OJ C 32 E/11.2.2003 Bull. 11-2002/1.4.60
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<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
						Reg. to be amended: OJ L 192/28.7.2000
						Reg. to be amended: OJ L 192/28.7.2000
Bull. 5-2003/1.4.47 (b)	COM(2003) 388				OJ L 176/15.7.2003 Bull. 6-2003/1.4.63	
Bull. 6-2003/1.4.65 (b)	COM(2003) 428 COM(2003) 429				OJ L 176/15.7.2003 Bull. 6-2003/1.4.65	Repealed dirs: 96/92/EC (OJ L 27/30.1.1997) and 98/30/EC (OJ L 204/21.7.1998)
Bull. 6-2003/1.4.65 (b)	COM(2003) 420				OJ L 176/15.7.2003 Bull. 6-2003/1.4.65	
Bull. 3-2003/1.4.36 (b)	COM(2003) 193 Bull. 4-2003/1.4.34				OJ L 123/17.5.2003 Bull. 5-2003/1.4.53	

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
<i>Energy efficiency and rational use of energy</i>					
645	Prop. for a dir. on energy end-use efficiency and energy services	COM(2003) 739 Bull. 12-2003/1.4.69			
645	Prop. for a dir.: promotion of cogeneration based on a useful heat demand in the internal energy market	OJ C 291 E/26.11.2002 COM(2002) 415 Bull. 7/8-2002/1.4.32	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.59 OJ C 244/10.10.2003 Bull. 4-2003/1.4.33*	Bull. 5-2003/1.4.51 (b) COM(2003) 416 Bull. 7/8-2003/1.4.31	OJ C 258 E/28.10.2003 Bull. 9-2003/1.4.32
<i>Transport</i>					
<i>Infrastructure</i>					
670	Prop. for a dir. amending Dir. 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures	COM(2003) 448 Bull. 7/8-2003/1.4.40			
<i>Inland transport</i>					
671	Prop. for a dir.: railway safety and amending Dir. 95/18/EC on the licensing of railway undertakings and Dir. 2001/14/EC on infrastructure capacity, levying of charges and certification	OJ C 126 E/28.5.2002 COM(2002) 21 Bull. 1/2-2002/1.4.81	OJ C 61/14.3.2003 Bull. 9-2002/1.4.50 OJ C 66/19.3.2003 Bull. 10-2002/1.4.52°	Bull. 1/2-2003/1.4.63 (b)	Bull. 3-2003/1.4.42* OJ C 270 E/11.11.2003 Bull. 6-2003/1.4.69
671	Prop. for a dir. amending Dirs 96/48/EC and 2001/16/EC: interoperability of the trans-European rail system	OJ C 126 E/28.5.2002 COM(2002) 22 Bull. 1/2-2002/1.4.82	OJ C 61/14.3.2003 Bull. 9-2002/1.4.50 OJ C 66/19.3.2003 Bull. 10-2002/1.4.52°	Bull. 1/2-2003/1.4.63 (b)	Bull. 3-2003/1.4.42* OJ C 270 E/11.11.2003 Bull. 6-2003/1.4.69
671	Prop. for a reg.: European Railway Agency	OJ C 126 E/28.5.2002 COM(2002) 23 Bull. 1/2-2002/1.4.83	OJ C 61/14.3.2003 Bull. 9-2002/1.4.50 OJ C 66/19.3.2003 Bull. 10-2002/1.4.52°	Bull. 1/2-2003/1.4.63 (b)	Bull. 3-2003/1.4.42* OJ C 270 E/11.11.2003 Bull. 6-2003/1.4.69
671	Prop. for a dir. amending Dir. 91/440/EEC: development of the Community's railways	OJ C 291 E/26.11.2002 COM(2002) 25 Bull. 1/2-2002/1.4.85	OJ C 61/14.3.2003 Bull. 9-2002/1.4.50 OJ C 66/19.3.2003 Bull. 10-2002/1.4.52°	Bull. 1/2-2003/1.4.63 (b)	Bull. 3-2003/1.4.42* OJ C 270 E/11.11.2003 Bull. 6-2003/1.4.69
673	Prop. for a dir.: minimum safety requirements for tunnels in the trans-European road network	COM(2002) 769 Bull. 12-2002/1.4.71	OJ C 220/16.9.2003 Bull. 6-2003/1.4.73 OJ C 256/24.10.2003 Bull. 7/8-2003/1.4.38°	Bull. 10-2003/1.4.52 (b)	
674	Dir. 2003/59/EC: training of professional drivers for the carriage of goods or passengers by road, amending Reg. (EEC) No 3820/85 and Dir. 91/439/EEC and repealing Dir. 76/914/EEC	OJ C 154 E/29.5.2001 COM(2001) 56 Bull. 1/2-2001/1.4.62	OJ C 260/17.9.2001 Bull. 7/8-2001/1.4.36	OJ C 271 E/7.11.2002 Bull. 1/2-2002/1.4.87 (b)	OJ C 20 E/28.1.2003 COM(2002) 541 Bull. 9-2002/1.4.52
675	Prop. for a dir. on driving licences (recasting) and repealing Dir. 91/439/EEC	COM(2003) 621 Bull. 10-2003/1.4.54			
676	Prop. for a dir. on minimum conditions for the implementation of Dir. 2002/15/EC and Regs (EEC) No 3820/85 and (EEC) No 3821/85 concerning social legislation relating to road transport activities	COM(2003) 628 Bull. 10-2003/1.4.53			

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
Bull. 12-2003/1.4.72						
						Dir. to be amended: OJ L 187/20.7.1999
Bull. 10-2003/1.4.50 (b)	COM(2003) 719					Dirs to be amended: 95/18/EC (OJ L 143/27.6.1995) and 2001/14/EC (OJ L 75/15.3.2001)
Bull. 10-2003/1.4.50 (b)	COM(2003) 719					Dirs to be amended: 96/48/EC (OJ L 235/17.9.1996) and 2001/16/EC (OJ L 110/20.4.2001)
Bull. 10-2003/1.4.50 (b)	COM(2003) 719					
Bull. 10-2003/1.4.50 (b)	COM(2003) 719					Dir. to be amended: OJ L 237/24.8.1991
Bull. 4-2003/1.4.39 (b)	COM(2003) 296 Bull. 6-2003/1.4.72				OJ L 226/10.9.2003 Bull. 7/8-2003/1.4.39	Amended reg.: (EEC) No 3820/85 (OJ L 370/31.12.1985) Amended dir.: 91/439/EEC (OJ L 237/24.8.1991) Repealed dir.: 76/914/EEC (OJ L 357/29.12.1976)
						Dir. to be repealed: OJ L 237/24.8.1991

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	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations	
677	Reg. (EC) No 2327/2003: ecopoints system for heavy goods vehicles (Austria)	OJ C 103 E/30.4.2002 COM(2001) 807 Bull. 12-2001/1.4.62	OJ C 221/17.9.2002 Bull. 5-2002/1.4.59	Bull. 1/2-2003/1.4.64 (b)		OJ C 214 E/9.9.2003 Bull. 3-2003/1.4.45	Bull. 7/8-2003/1.4.36 (b)	COM(2003) 531 Bull. 7/8-2003/1.4.36	25.11.2003	Bull. 12-2003/1.4.77	Bull. 12-2003/1.4.77	OJ L 345/31.12.2003 Bull. 12-2003/1.4.77	677
677	Prop. for a dir.: transparent system of rules for restrictions on heavy goods vehicles	OJ C 198/24.6.1998 COM(1998) 115 Bull. 3-1998/1.2.115	OJ C 407/28.12.1998 Bull. 9-1998/1.2.95 OJ C 374/23.12.1999 Bull. 9-1999/1.2.84*	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.42 (b)	OJ C 120/24.4.2001 COM(2000) 759 Bull. 11-2000/1.4.53 COM(2003) 473 Bull. 7/8-2003/1.4.42								677
678	Prop. for a dir.: use of vehicles hired without drivers for the carriage of goods by road (consolidated version)	COM(2003) 559 Bull. 9-2003/1.4.34											678
<i>Maritime transport</i>													
683	Reg. (EC) No 1726/2003 amending Reg. (EC) No 417/2002: accelerated phasing-in of double hull requirements	COM(2002) 780 Bull. 12-2002/1.4.78	OJ C 133/6.6.2003 Bull. 3-2003/1.4.52	Bull. 6-2003/1.4.75 (b)							OJ L 249/1.10.2003 Bull. 7/8-2003/1.4.43	Amended reg.: OJ L 64/7.3.2002	683
683	Dir. 2003/24/EC amending Dir. 98/18/EC: safety rules and standards for passenger ships	OJ C 20 E/28.1.2003 COM(2002) 158 Bull. 3-2002/1.4.48	OJ C 85/8.4.2003 Bull. 12-2002/1.4.76	Bull. 11-2002/1.4.72 (b)	COM(2002) 720 Bull. 12-2002/1.4.76						OJ L 123/17.5.2003 Bull. 4-2003/1.4.46	Amended dir.: OJ L 144/15.5.1998	683
683	Dir. 2003/25/EC: specific stability requirements for ro-ro passenger ships	OJ C 20 E/28.1.2003 COM(2002) 158 Bull. 3-2002/1.4.48	OJ C 85/8.4.2003 Bull. 12-2002/1.4.76	Bull. 11-2002/1.4.72 (b)	COM(2002) 721 Bull. 12-2002/1.4.76						OJ L 123/17.5.2003 Bull. 4-2003/1.4.46		683
683	Prop. for a reg. amending Reg. (EC) No 1406/2002 establishing a European Maritime Safety Agency	COM(2003) 440 Bull. 7/8-2003/1.4.45										Reg. to be amended: OJ L 208/5.8.2002	683
683	Prop. for a reg. on the implementation of the International Safety Management Code within the Community	COM(2003) 767 Bull. 12-2003/1.4.80											683
684	Dir. 2003/103/EC amending Dir. 2001/25/EC on the minimum level of training of seafarers	OJ C 311/20.12.2003 COM(2003) 1 Bull. 1/2-2003/1.4.67	OJ C 133/6.6.2003 Bull. 3-2003/1.4.53	Bull. 9-2003/1.4.38 (b)						Bull. 10-2003/1.4.56*	OJ L 326/13.12.2003 Bull. 11-2003/1.4.76	Amended dir.: OJ L 136/18.5.2001	684
686	Prop. for a reg. on enhancing ship and port facility security	COM(2003) 229 Bull. 5-2003/1.4.56	Bull. 10-2003/1.4.58	Bull. 11-2003/1.4.78 (b)									686
687	Reg. (EC) No 782/2003: organotin compounds on ships	OJ C 262 E/29.10.2002 COM(2002) 396 Bull. 7/8-2002/1.4.46	OJ C 85/8.4.2003 Bull. 12-2002/1.4.77	Bull. 11-2002/1.4.74 (b)						Bull. 12-2002/1.4.77*	OJ L 115/9.5.2003 Bull. 4-2003/1.4.45		687
687	Prop. for a dir.: ship-source pollution and introduction of sanctions, including criminal sanctions, for pollution offences	COM(2003) 92 Bull. 3-2003/1.4.47	OJ C 220/16.9.2003 Bull. 6-2003/1.4.77										687
688	Prop. for a reg.: transfer of cargo and passenger ships between registers within the Community	COM(2003) 478 Bull. 7/8-2003/1.4.44	Bull. 12-2003/1.4.81										688
691	Prop. for a dir.: market access to port services	OJ C 154 E/29.5.2001 COM(2001) 35 Bull. 1/2-2001/1.4.64	OJ C 48/21.2.2002 Bull. 11-2001/1.4.77 OJ C 19/22.1.2002*	OJ C 140 E/13.6.2002 Bull. 11-2001/1.4.77 (b)	OJ C 181 E/30.7.2002 COM(2002) 101 Bull. 1/2-2002/1.4.98	Bull. 6-2002/1.4.55* OJ C 299 E/3.12.2002 Bull. 11-2002/1.4.70	Bull. 3-2003/1.4.49 (b)	COM(2003) 208 Bull. 4-2003/1.4.44	Bull. 9-2003/1.4.39 (e)				691
692	Prop. for a dec. concerning the activities of certain third countries in the field of cargo shipping (codified version)	COM(2003) 732 Bull. 11-2003/1.4.80											692
<i>Air transport</i>													
693	Prop. for a reg.: air service agreements between Member States and third countries	COM(2003) 94 Bull. 1/2-2003/1.4.68	OJ C 234/30.9.2003 Bull. 7/8-2003/1.4.51	Bull. 9-2003/1.4.40 (b)		Bull. 10-2003/1.4.59*							693

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations	
695	Prop. for a reg.: framework for the creation of the single European sky	OJ C 362 E/18.12.2001 OJ C 103 E/30.4.2002 COM(2001) 123 Bull. 10-2001/1.4.70	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.48 OJ C 278/14.11.2002 Bull. 5-2002/1.4.64*	OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.55 (b)	COM(2002) 658 Bull. 11-2002/1.4.80	5.12.2002* OJ C 129 E/3.6.2003 Bull. 3-2003/1.4.55	Bull. 7/8-2003/1.4.47 (b)	COM(2003) 514 Bull. 7/8-2003/1.4.47	Bull. 12-2003/1.4.87				695
695	Prop. for a reg.: provision of air navigation services in the single European sky	OJ C 25 E/29.1.2002 OJ C 103 E/30.4.2002 COM(2001) 564 Bull. 10-2001/1.4.71	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.49 OJ C 278/14.11.2002 <sup>o</sup>	OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.55 (b)	COM(2002) 658 Bull. 11-2002/1.4.80	Bull. 12-2002/1.4.81* OJ C 129 E/3.6.2003 Bull. 3-2003/1.4.55	Bull. 7/8-2003/1.4.47 (b)	COM(2003) 514 Bull. 7/8-2003/1.4.47	Bull. 12-2003/1.4.87				695
695	Prop. for a reg.: organisation and use of the airspace in the single European sky	OJ C 25 E/29.1.2002 OJ C 103 E/30.4.2002 COM(2001) 564 Bull. 10-2001/1.4.71	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.49 OJ C 278/14.11.2002 <sup>o</sup>	OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.55 (b)	COM(2002) 658 Bull. 11-2002/1.4.80	Bull. 12-2002/1.4.81* OJ C 129 E/3.6.2003 Bull. 3-2003/1.4.55	Bull. 7/8-2003/1.4.47 (b)	COM(2003) 514 Bull. 7/8-2003/1.4.47	Bull. 12-2003/1.4.87				695
695	Prop. for a reg.: interoperability of the European air traffic management network	OJ C 25 E/29.1.2002 OJ C 103 E/30.4.2002 COM(2001) 564 Bull. 10-2001/1.4.71	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.49 OJ C 278/14.11.2002 <sup>o</sup>	OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.55 (b)	COM(2002) 658 Bull. 11-2002/1.4.80	Bull. 12-2002/1.4.81* OJ C 129 E/3.6.2003 Bull. 3-2003/1.4.55	Bull. 7/8-2003/1.4.47 (b)	COM(2003) 514 Bull. 7/8-2003/1.4.47	Bull. 12-2003/1.4.87				695
696	Prop. for a reg. amending Reg. (EC) No 2320/2002 establishing common rules in the field of civil aviation security	COM(2003) 566 Bull. 9-2003/1.4.43										Reg. to be amended: OJ L 355/30.12.2002	696
697	Dir. 2003/42/EC: occurrence reporting in civil aviation	OJ C 120 E/24.4.2001 COM(2000) 847 Bull. 12-2000/1.4.65	OJ C 311/7.11.2001 Bull. 9-2001/1.4.52	OJ C 53 E/28.2.2002 Bull. 6-2001/1.4.60 (b)	OJ C 332 E/27.11.2001 COM(2001) 532	OJ C 197 E/20.8.2002 Bull. 6-2002/1.4.60	OJ C 300 E/11.12.2003 Bull. 10-2002/1.4.55 (b)	COM(2002) 647 Bull. 11-2002/1.4.77	Bull. 3-2003/1.4.56 (e)	Bull. 5-2003/1.4.57	Bull. 5-2003/1.4.57	OJ L 167/4.7.2003 Bull. 6-2003/1.4.81	697
698	Prop. for a dir.: safety of third countries' aircraft using Community airports	OJ C 103 E/30.4.2002 COM(2002) 8 Bull. 1/2-2002/1.4.100	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.51	OJ C 272 E/13.11.2003 Bull. 9-2002/1.4.56 (b)	COM(2002) 664 Bull. 11-2002/1.4.79	Bull. 3-2003/1.4.57* OJ C 233 E/30.9.2003 Bull. 6-2003/1.4.80	Bull. 10-2003/1.4.60 (b)	COM(2003) 674					698
698	Prop. for a reg.: insurance requirements for air carriers and aircraft operators	OJ C 20 E/28.1.2003 COM(2002) 521 Bull. 9-2002/1.4.59	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.69	Bull. 5-2003/1.4.58 (b)	COM(2003) 454 Bull. 7/8-2003/1.4.50	Bull. 10-2003/1.4.61*							698
699	Prop. for a reg.: common rules on compensation and assistance to air passengers in the event of denied boarding and of cancellation or long delay of flights	OJ C 103 E/30.4.2002 COM(2001) 784 Bull. 12-2001/1.4.72	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.50	OJ C 300 E/11.12.2003 Bull. 10-2002/1.4.56 (b)	OJ C 71 E/25.3.2003 COM(2002) 717 Bull. 12-2002/1.4.79	Bull. 12-2002/1.4.79* OJ C 125 E/27.5.2003 Bull. 3-2003/1.4.54	Bull. 7/8-2003/1.4.48 (b)	COM(2003) 496 Bull. 7/8-2003/1.4.48	Bull. 10-2003/1.4.63	Bull. 12-2003/1.4.88			699
700	Reg. (EC) No 1554/2003 amending Reg. (EEC) No 95/93: common rules for the allocation of slots at airports	OJ C 270 E/25.9.2001 COM(2001) 335 Bull. 6-2001/1.4.59	OJ C 125/27.5.2002 Bull. 3-2002/1.4.51 OJ C 220/16.9.2003 Bull. 6-2003/1.4.82	OJ C 261 E/30.10.2003 Bull. 6-2002/1.4.57 (b) Bull. 6-2003/1.4.82 (a)	COM(2002) 623 Bull. 11-2002/1.4.76 COM(2003) 207 Bull. 4-2003/1.4.47	Bull. 12-2003/1.4.85					OJ L 221/4.9.2003 Bull. 7/8-2003/1.4.49	Amended reg.: OJ L 14/22.1.1993	700
701	Prop. for a dir.: regulation of the operation of aeroplanes covered by Annex 16 to the Convention on International Civil Aviation (codified version)	COM(2003) 524 Bull. 7/8-2003/1.4.52											701
<b>Multimodal transport</b>													
702	Reg. (EC) No 1382/2003: granting of Community financial assistance to improve the environmental performance of the freight transport system (Marco Polo)	OJ C 126 E/28.5.2002 COM(2002) 54 Bull. 1/2-2002/1.4.104	OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.52 OJ C 278/14.11.2002 Bull. 5-2002/1.4.67*	OJ C 273 E/14.11.2003 Bull. 9-2002/1.4.60 (b)		Bull. 12-2002/1.4.82* OJ C 153 E/1.7.2003 Bull. 4-2003/1.4.48	Bull. 7/8-2003/1.4.53 (a)				OJ L 196/2.8.2003 Bull. 7/8-2003/1.4.53		702
703	Prop. for a dir.: intermodal loading units	COM(2003) 155 Bull. 4-2003/1.4.43	Bull. 10-2003/1.4.57										703
<b>State aid</b>													
705	Prop. for a reg.: protection against subsidisation and unfair pricing practices in the supply of airline services from countries not members of the EC	OJ C 151 E/25.6.2002 COM(2002) 110 Bull. 3-2002/1.4.54	OJ C 61/14.3.2003 Bull. 9-2002/1.4.61	Bull. 1/2-2003/1.4.71 (b)	COM(2003) 228 Bull. 5-2003/1.4.59	Bull. 10-2003/1.4.62*							705

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	
<b>Health and consumer protection</b>						
<i>Food safety, animal health and welfare, and plant health</i>						
711	Prop. for a dir. amending Dirs 89/662/EEC and 91/67/EEC and repealing certain directives on the hygiene of foodstuffs	OJ C 365 E/19.12.2000 COM(2000) 438 Bull. 7/8-2000/1.4.64	OJ C 155/29.5.2001	Bull. 6-2003/1.4.85 (b)	COM(2003) 455 Bull. 7/8-2003/1.4.66	Bull. 7/8-2003/1.4.66* Bull. 10-2003/1.4.70
711	Prop. for a reg.: hygiene of foodstuffs	OJ C 365 E/19.12.2000 COM(2000) 438 Bull. 7/8-2000/1.4.64	OJ C 155/29.5.2001 Bull. 3-2001/1.4.60	OJ C 180 E/31.7.2003 Bull. 5-2002/1.4.69 (b)	OJ C 311/20.12.2003 COM(2003) 33 Bull. 1/2-2003/1.4.72	Bull. 6-2002/1.4.62* Bull. 10-2003/1.4.68
711	Prop. for a reg.: specific hygiene rules for food of animal origin	OJ C 365 E/19.12.2000 COM(2000) 438 Bull. 7/8-2000/1.4.64	OJ C 155/29.5.2001	OJ C 180 E/31.7.2003 Bull. 5-2002/1.4.70 (b)	OJ C 311/20.12.2003 COM(2003) 33 Bull. 1/2-2003/1.4.73	Bull. 12-2002/1.4.88* Bull. 10-2003/1.4.69
711	Dir. 2003/99/EC on the monitoring of zoonoses, amending Dec. 90/424/EEC and repealing Dir. 92/117/EEC	OJ C 304 E/30.10.2001 COM(2001) 452 Bull. 7/8-2001/1.4.48	OJ C 94/18.4.2002 Bull. 1/2-2002/1.4.119	OJ C 180 E/31.7.2003 Bull. 5-2002/1.4.80 (b)	COM(2002) 684 Bull. 11-2002/1.4.84	Bull. 11-2002/1.4.84* OJ C 90 E/15.4.2003 Bull. 1/2-2003/1.4.75
711	Reg. (EC) No 2160/2003 on the control of salmonella in the food chain and amending Dirs 64/432/EEC, 72/462/EEC and 90/539/EEC	OJ C 304 E/30.10.2001 COM(2001) 452 Bull. 7/8-2001/1.4.48	OJ C 94/18.4.2002 Bull. 1/2-2002/1.4.119	OJ C 180 E/31.7.2003 Bull. 5-2002/1.4.81 (b)	COM(2002) 684 Bull. 11-2002/1.4.85	Bull. 11-2002/1.4.85* OJ C 90 E/15.4.2003 Bull. 1/2-2003/1.4.76
712	Dir. 2003/52/EC amending Dir. 95/2/EC: conditions of use for the food additive E 425 konjac	OJ C 331 E/31.12.2002 COM(2002) 451 Bull. 7/8-2002/1.4.59	OJ C 85/8.4.2003 Bull. 12-2002/1.4.87	Bull. 1/2-2003/1.4.74 (b)		
712	Prop. for a dir. amending Dir. 95/2/EC on food additives other than colours and sweeteners	COM(2002) 662 Bull. 11-2002/1.4.87	OJ C 208/3.9.2003 Bull. 5-2003/1.4.61	Bull. 7/8-2003/1.4.58 (b)	COM(2003) 583 Bull. 10-2003/1.4.66	
712	Prop. for a dir. amending Dir. 94/35/EC: sweeteners for use in foodstuffs	OJ C 262 E/29.10.2002 COM(2002) 375 Bull. 7/8-2002/1.4.57	OJ C 85/8.4.2003 Bull. 12-2002/1.4.86	Bull. 4-2003/1.4.50 (b)	COM(2003) 277 Bull. 5-2003/1.4.60	Bull. 5-2003/1.4.60* OJ C 277 E/18.11.2003 Bull. 6-2003/1.4.91
712	Reg. (EC) No 2065/2003: smoke flavourings used or intended for use in or on foods	OJ C 262 E/29.10.2002 COM(2002) 400 Bull. 7/8-2002/1.4.58	OJ C 85/8.4.2003 Bull. 12-2002/1.4.85	Bull. 6-2003/1.4.86 (b)	COM(2003) 407 Bull. 7/8-2003/1.4.59	
712	Prop. for a dir.: approximation of the laws on extraction solvents used in the production of foodstuffs and food ingredients (codified version)	COM(2003) 467 Bull. 7/8-2003/1.4.67	Bull. 12-2003/1.4.92			
713	Prop. for a reg. on materials and articles intended to come into contact with food	COM(2003) 689 Bull. 11-2003/1.4.84				
714	Prop. for a reg.: official safety controls for food and animal feed	COM(2003) 52 Bull. 1/2-2003/1.4.79	OJ C 234/30.9.2003 Bull. 7/8-2003/1.4.63 Bull. 10-2003/1.4.64 <sup>o</sup>			
715	Dir. 2003/89/EC amending Dir. 2000/13/EC: indication of the ingredients present in foodstuffs	OJ C 332 E/27.11.2001 COM(2001) 433 Bull. 9-2001/1.4.61	OJ C 80/3.4.2002 Bull. 1/2-2002/1.4.120	OJ C 261 E/30.10.2003 Bull. 6-2002/1.4.80 (b)	OJ C 331 E/31.12.2002 COM(2002) 464 Bull. 9-2002/1.4.64	Bull. 11-2002/1.4.83* OJ C 102 E/29.4.2003 Bull. 1/2-2003/1.4.77
715	Prop. for a reg.: nutrition and health claims made on foods	COM(2003) 424 Bull. 7/8-2003/1.4.61				

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
						Dir. to be amended: 89/662/EEC (OJ L 395/30.12.1989) and 91/67/EEC (OJ L 46/19.2.1991)
Bull. 6-2003/1.4.89 (a)					OJ L 325/12.12.2003	Amended dec.: OJ L 224/18.8.1990 Repealed dir.: OJ L 62/15.3.1993
Bull. 6-2003/1.4.90 (b)	COM(2003) 434 Bull. 7/8-2003/1.4.62				OJ L 325/12.12.2003	Amended dirs: 64/432/EEC (OJ L 121/29.7.1964), 72/462/EEC (OJ L 302/31.12.1972) and 90/539/EEC (OJ L 303/31.10.1990)
					OJ L 178/17.7.2003 Bull. 6-2003/1.4.88	Amended dir.: OJ L 61/18.3.1995
						Dir. to be amended: OJ L 61/18.3.1995
Bull. 10-2003/1.4.67 (b)	COM(2003) 780					Dir. to be amended: OJ L 237/10.9.1994
					OJ L 309/26.11.2003 Bull. 11-2003/1.4.83	
Bull. 7/8-2003/1.4.54 (b)	COM(2003) 466 Bull. 7/8-2003/1.4.54				OJ L 308/25.11.2003 Bull. 11-2003/1.4.82	Amended dir.: OJ L 109/6.5.2000

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	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*	
716	Reg. (EC) No 1829/2003: genetically modified food and feed	OJ C 304 E/30.10.2001 COM(2001) 425 Bull. 7/8-2001/1.4.39	OJ C 221/17.9.2002 Bull. 5-2002/1.4.72 OJ C 278/14.11.2002 Bull. 5-2002/1.4.72 <sup>o</sup>	OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.56 (b)	COM(2002) 559 Bull. 10-2002/1.4.63	Bull. 11-2002/1.4.88* OJ C 113 E/13.5.2003 Bull. 3-2003/1.4.62
717	Prop. for a reg. on the addition of vitamins and minerals and of certain other substances to foods	COM(2003) 671 Bull. 11-2003/1.4.81				
718	Prop. for a reg.: requirements for feed hygiene	COM(2003) 180 Bull. 4-2003/1.4.52	Bull. 10-2003/1.4.72			
718	Reg. (EC) No 1831/2003: additives for use in animal nutrition	OJ C 203 E/27.8.2002 COM(2002) 153 Bull. 3-2002/1.4.61	OJ C 61/14.3.2003 Bull. 9-2002/1.4.70	Bull. 11-2002/1.4.93 (b)	COM(2002) 771 Bull. 12-2002/1.4.105	Bull. 12-2002/1.4.105* OJ C 113 E/13.5.2003 Bull. 3-2003/1.4.64
719	Dir. 2003/74/EC amending Dir. 96/22/EC: prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and of beta-agonists	OJ C 337 E/28.11.2000 COM(2000) 320	OJ C 14/16.1.2001 Bull. 10-2000/1.10.34	OJ C 267/21.9.2001 Bull. 1/2-2001/1.4.79 (b)	OJ C 180 E/26.6.2001 COM(2001) 131 Bull. 3-2001/1.4.61	Bull. 12-2002/1.4.97* OJ C 90 E/15.4.2003 Bull. 1/2-2003/1.4.80
720	Prop. for a reg.: specific rules for the organisation of official controls on products of animal origin intended for human consumption	OJ C 262 E/29.10.2002 COM(2002) 377 Bull. 7/8-2002/1.4.63	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.78	Bull. 6-2003/1.4.87 (b)	COM(2003) 577 Bull. 10-2003/1.4.71	Bull. 7/8-2003/1.4.65* Bull. 10-2003/1.4.71
722	Reg. (EC) No 1128/2003 amending Reg. (EC) No 999/2001: extension of the period for transitional measures	COM(2003) 103 Bull. 3-2003/1.4.63	OJ C 208/3.9.2003 Bull. 5-2003/1.4.62	Bull. 6-2003/1.4.84 (a)		
723	Reg. (EC) No 998/2003: animal health requirements applicable to non-commercial movement of pet animals	OJ C 29 E/30.1.2001 COM(2000) 529 Bull. 9-2000/1.4.71	OJ C 116/20.4.2001 Bull. 11-2000/1.4.59	OJ C 27 E/31.1.2002 Bull. 5-2001/1.4.70 (b)	OJ C 270 E/25.9.2001 COM(2001) 349 Bull. 6-2001/1.4.74	Bull. 4-2002/1.4.67* OJ C 275 E/12.11.2002 Bull. 6-2002/1.4.65
728	Prop. for a reg.: maximum residue levels of pesticides in products of plant and animal origin	COM(2003) 117 Bull. 3-2003/1.4.60	OJ C 234/30.9.2003 Bull. 7/8-2003/1.4.60			
728	Prop. for a dir. amending Annex VI to Directive 91/414/EEC as regards plant protection products containing micro-organisms	COM(2003) 814 Bull. 12-2003/1.4.97				Dir. to be amended: OJ L 230/19.8.1991
<b>Public health</b>						
735	Dir. 2002/98/EC: standards of quality and safety relating to human blood and amending Dir. 2001/83/EEC	OJ C 154 E/29.5.2001 COM(2000) 816 Bull. 12-2000/1.4.73	OJ C 221/7.8.2001 Bull. 5-2001/1.4.77 OJ C 19/22.1.2002 Bull. 9-2001/1.4.59 <sup>o</sup>	OJ C 72 E/21.3.2002 Bull. 9-2001/1.4.59 (b)	OJ C 75 E/26.3.2002 COM(2001) 692 Bull. 11-2001/1.4.95	Bull. 11-2001/1.4.95* OJ C 113 E/14.5.2002 Bull. 1/2-2002/1.4.118
735	Prop. for a dir.: standards of quality and safety for the donation, procurement, testing, processing, storage and distribution of human tissues and cells	OJ C 227 E/24.9.2002 COM(2002) 319 Bull. 6-2002/1.4.74	OJ C 85/8.4.2003 Bull. 12-2002/1.4.107	Bull. 4-2003/1.4.57 (b)	COM(2003) 340 Bull. 5-2003/1.4.74	Bull. 6-2003/1.4.102* OJ C 240 E/16.6.2003 Bull. 7/8-2003/1.4.75
736	Prop. for a reg. establishing a European Centre for Disease Prevention and Control	COM(2003) 441 Bull. 7/8-2003/1.4.76	Bull. 10-2003/1.4.76			
741	Dir. 2003/33/EC: advertising and sponsorship of tobacco products	OJ C 270 E/25.9.2001 COM(2001) 283 Bull. 5-2001/1.4.79	OJ C 36/8.2.2002 Bull. 10-2001/1.4.88	Bull. 11-2002/1.4.96 (b)	COM(2002) 699 Bull. 11-2002/1.4.96	Bull. 12-2002/1.4.110* OJ L 152/20.6.2003 Bull. 5-2003/1.4.73
<b>Consumer policy</b>						
744	Dec. No 20/2004/EC: general framework for financing Community actions in support of consumer policy for the years 2004–07	OJ C 311/20.12.2003 COM(2003) 44 Bull. 1/2-2003/1.4.88	OJ C 234/30.9.2003 Bull. 7/8-2003/1.4.77	Bull. 9-2003/1.4.55 (b)		OJ L 5/9.1.2004 Bull. 12-2003/1.4.106

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
Bull. 7/8-2003/1.4.56 (b)	COM(2003) 459 Bull. 7/8-2003/1.4.56				OJ L 268/18.10.2003 Bull. 9-2003/1.4.47	716
						717
						718
Bull. 6-2003/1.4.94 (b)	COM(2003) 447 Bull. 7/8-2003/1.4.64				OJ L 268/18.10.2003 Bull. 9-2003/1.4.52	718
Bull. 7/8-2003/1.4.57 (b)	COM(2003) 489 Bull. 7/8-2003/1.4.57				OJ L 262/14.10.2003 Bull. 9-2003/1.4.49	Amended dir.: OJ L 125/23.5.1996
						719
						720
					OJ L 160/28.6.2003 Bull. 6-2003/1.4.84	Amended reg.: OJ L 147/31.5.2001
OJ C 300 E/11.12.2003 Bull. 10-2002/1.4.65 (b)	COM(2002) 710 Bull. 12-2002/1.4.98	Bull. 1/2-2003/1.4.82 (e)	Bull. 4-2003/1.4.51	Bull. 4-2003/1.4.51	OJ L 146/13.6.2003 Bull. 5-2003/1.4.67	723
						728
						728
OJ C 261 E/30.10.2003 Bull. 6-2002/1.4.73 (b)	COM(2002) 479 Bull. 7/8-2002/1.4.67	4.11.2002	Bull. 12-2002/1.4.109	Bull. 12-2002/1.4.109	OJ L 33/8.2.2003 Bull. 1/2-2003/1.4.86	Amended dir.: OJ L 311/28.11.2001
Bull. 12-2003/1.4.100						735
						736
						741
						744



	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
<b>Relations with the southern Mediterranean and the Middle East</b>					
<i>Financial and technical cooperation</i>					
901	Prop. for a reg. amending Reg. (EC) No 1734/94: financial and technical cooperation with the Occupied Territories	COM(2003) 523 Bull. 7/8-2003/1.6.113			

**Relations with Latin America***Cooperation with Latin America*

980	Prop. for a reg.: Community cooperation with Asian and Latin American countries and amending Regulation (EC) No 2258/96	OJ C 331 E/31.12.2002 COM(2002) 340 Bull. 7/8-2002/1.6.134		Bull. 11-2003/1.6.103 (b)	
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**ACP countries and OCTs***Relations with ACP countries*

1001	Prop. for a reg. amending Reg. (EC) No 1726/2000 on development cooperation with South Africa	COM(2003) 627 Bull. 10-2003/1.6.95			
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**Financing of Community activities, resource management, protection of the Communities' financial interests****Financial perspective**

1017	Dec. 2003/429/EC: adjustment of the financial perspective for enlargement	COM(2003) 70 Bull. 1/2-2003/1.7.1			
1017	Dec. 2003/430/EC: revision of the financial perspective	COM(2003) 185 Bull. 4-2003/1.7.2			

**Budgets***Financial regulation*

1052	Reg. (EC) No 1641/2003 amending Reg. (EC) No 1210/90: budgetary and financial rules applicable to the European Environment Agency and access to the Agency's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8	OJ C 85/8.4.2003 Bull. 12-2002/1.7.7	OJ C 300 E/11.12.2003 Bull. 10-2002/1.7.4 (b)	OJ C 219 E/16.9.2003 Bull. 6-2003/1.7.6
1052	Reg. (EC) No 1642/2003 amending Reg. (EC) No 178/2002: internal audit and control systems applicable to the European Food Safety Agency and access to the Agency's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8	OJ C 85/8.4.2003 Bull. 12-2002/1.7.7	OJ C 300 E/11.12.2003 Bull. 10-2002/1.7.4 (b)	OJ C 219 E/16.9.2003 Bull. 6-2003/1.7.6
1052	Reg. (EC) No 1643/2003 amending Reg. (EC) No 1592/2002 concerning common rules in the field of civil aviation and creating a European Aviation Safety Agency	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8	OJ C 85/8.4.2003 Bull. 12-2002/1.7.7	OJ C 300 E/11.12.2003 Bull. 10-2002/1.7.4 (b)	OJ C 219 E/16.9.2003 Bull. 6-2003/1.7.6
1052	Reg. (EC) No 1644/2003 amending Reg. (EC) No 1406/2002 concerning the setting up of a European Maritime Safety Agency	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8	OJ C 85/8.4.2003 Bull. 12-2002/1.7.7	OJ C 300 E/11.12.2003 Bull. 10-2002/1.7.4 (b)	OJ C 219 E/16.9.2003 Bull. 6-2003/1.7.6

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
						Reg. to be amended: OJ L 182/16.7.1994

						Reg. to be amended: OJ L 306/28.11.1996
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						Reg. to be amended: OJ L 198/4.8.2000
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						OJ L 147/14.6.2003 Bull. 5-2003/1.7.1
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						OJ L 147/14.6.2003 Bull. 5-2003/1.7.2
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Bull. 7/8-2003/1.7.10 (a)						OJ L 245/29.9.2003 Bull. 7/8-2003/1.7.10	Amended reg.: OJ L 120/11.5.1990
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Bull. 7/8-2003/1.7.10 (a)						OJ L 245/29.9.2003 Bull. 7/8-2003/1.7.10	Amended reg.: OJ L 31/1.2.2002
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Bull. 7/8-2003/1.7.10 (a)						OJ L 245/29.9.2003 Bull. 7/8-2003/1.7.10	Amended reg.: OJ L 240/7.9.2002
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Bull. 7/8-2003/1.7.10 (a)						OJ L 245/29.9.2003 Bull. 7/8-2003/1.7.10	Amended reg.: OJ L 208/5.8.2002
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	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP first reading a, b <sup>(1)</sup>	Amended Commission proposal	Common position Council*
1054	Prop. for a dec. amending Decs No 1720/1999/EC, No 253/2000/EC, No 508/2000/EC, No 1031/2000/EC, No 1445/2000/EC, No 163/2001/EC, No 1411/2001/EC, No 50/2002/EC, No 466/2002/EC and No 1145/2002/EC in view of adapting the reference amounts to take account of the enlargement of the EU	COM(2003) 777 Bull. 12-2003/1.7.7			
1054	Prop. for a dec. amending Decs 96/411/EC, No 276/1999/EC, No 1719/1999/EC, No 2850/2000/EC, No 507/2001/EC, No 2235/2002/EC, No 2367/2002/EC, No 253/2003/EC and No 1230/2003/EC in view of adapting the reference amounts to take account of the enlargement of the EU	COM(2003) 777 Bull. 12-2003/1.7.7			
1054	Prop. for a reg. amending Regs (EC) No 2236/95, (EC) No 1655/2000 and (EC) No 1382/2003 in view of adapting the reference amounts to take account of the enlargement of the EU	COM(2003) 777 Bull. 12-2003/1.7.7			
<b>Protection of the Communities' financial interests and the fight against fraud</b>					
1061	Prop. for a dec.: Community action programme to promote activities and support bodies active in the field of the protection of the Community's financial interests	COM(2003) 278			

EP second reading a, b, c, d <sup>(1)</sup>	Commission proposal	Conciliation Committee e, f <sup>(1)</sup>	EP adoption of common draft	Adoption by Council	EP and Council signature	Observations
						Decs to be amended: No 1720/1999/EC (OJ L 203/3.8.1999), No 253/2000/EC (OJ L 28/3.2.2000), No 508/2000/EC (OJ L 63/10.3.2000), No 1031/2000/EC (OJ L 117/18.5.2000), No 1445/2000/EC (OJ L 163/4.7.2000), No 163/2001/EC (OJ L 26/27.1.2001), No 1411/2001/EC (OJ L 191/13.7.2001), No 50/2002/EC (OJ L 10/12.1.2002), No 466/2002/EC (OJ L 75/16.3.2002) and No 1145/2002/EC (OJ L 170/29.6.2002)
						Decs to be amended: 96/411/EC (OJ L 162/1.7.1996), No 276/1999/EC (OJ L 33/6.2.1999), No 1719/1999/EC (OJ L 203/3.8.1999), No 2850/2000/EC (OJ L 332/28.12.2000), No 507/2001/EC (OJ L 76/16.3.2001), No 2235/2002/EC (OJ L 341/17.12.2002), No 2367/2002/EC (OJ L 358/31.12.2002), No 553/2003/EC (OJ L 36/12.2.2003) and No 1230/2003/EC (OJ L 176/15.7.2003)
						Regs to be amended: (EC) No 2236/95 (OJ L 228/23.9.1995), (EC) No 1655/2000 (OJ L 192/28.7.2000) and (EC) No 1382/2003 (OJ L 196/2.8.2003)

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

<sup>(1)</sup> a = adoption; b = amendments; c = rejection; d = EP failure to take a decision within three months; e = agreement on a common project; f = no agreement on a common project.

Table II

## Consultation of the European Parliament

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP opinion	Amended Commission proposal	Adoption by Council*	Observations
<b>Institutional questions and the future of the Union</b>						
<b>Implementing powers conferred on the Commission</b>						
39	Reg. (EC) No 806/2003 adapting the provisions relating to committees which assist the Commission, as laid down in Council instruments adopted in accordance with the consultation procedure (qualified majority)	OJ C 75 E/26.3.2002 COM(2001) 789 Bull. 12-2001/1.1.8	OJ C 241/7.10.2002	Bull. 3-2003/1.1.12	OJ L 122/16.5.2003 Bull. 4-2003/1.1.6	
39	Reg. (EC) No 807/2003 adapting the provisions relating to committees which assist the Commission, as laid down in Council instruments adopted in accordance with the consultation procedure (unanimity)	OJ C 75 E/26.3.2002 COM(2001) 789 Bull. 12-2001/1.1.8	OJ C 241/7.10.2002	Bull. 3-2003/1.1.12	OJ L 122/16.5.2003 Bull. 4-2003/1.1.6	
39	Reg. (EC) No 1105/2003: provisions relating to committees which assist the Commission, as laid down in Council instruments adopted in accordance with the consultation procedure (Structural Funds)	OJ C 75 E/26.3.2002 COM(2001) 789 Bull. 12-2001/1.1.8	OJ C 241/7.10.2002	Bull. 3-2003/1.1.14	OJ L 158/27.6.2003 Bull. 5-2003/1.1.4	
40	Prop. for a dec. amending Dec. 1999/468/EC: procedures for the exercise of implementing powers conferred on the Commission	COM(2002) 719 Bull. 12-2002/1.1.13		Bull. 9-2003/1.1.9		Dec. to be amended : OJ L 184/17.7.1999
<b>Enlargement</b>						
<b>Pre-accession strategy</b>						
<i>Accession partnerships and general matters</i>						
54	Prop. for a reg. introducing, on the occasion of the new accessions, special temporary measures for recruitment of officials of the European Communities	COM(2003) 351 Bull. 6-2003/1.5.7		Bull. 11-2003/1.5.8		
<i>Financial and technical assistance</i>						
68	Reg. (EC) No 696/2003 amending Reg. (EC) No 1268/1999: Community support for pre-accession measures for agriculture and rural development in the countries of central and eastern Europe	OJ C 331 E/31.12.2002 COM(2002) 519 Bull. 9-2002/1.5.3	OJ C 61/14.3.2003 Bull. 10-2002/1.5.16	Bull. 3-2003/1.5.14	OJ L 99/17.4.2003 Bull. 4-2003/1.5.20	Amended reg.: OJ L 161/26.6.1999

		Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP opinion	Amended Commission proposal	Adoption by Council*	Observations
<b>The Community economic and social area</b>							
<b>Economic and monetary policy</b>							
<i>Economic policy coordination</i>							
107	Prop. for a reg. concerning the compilation and transmission of data on the quarterly government debt	COM(2003) 761					
<i>Monetary policy</i>							
114	Dec. 2003/517/EC: statistical data to be used for the adjustment of the key for subscription to the capital of the European Central Bank	COM(2003) 114 Bull. 3-2003/1.3.6		Bull. 7/8-2003/1.3.3		OJ L 181/19.7.2003 Bull. 7/8-2003/1.3.3	
<i>Financial operations</i>							
121	Dec. 2003/825/EC: additional macro-financial assistance to Serbia and Montenegro amending Dec. 2002/882/EC	COM(2003) 506 Bull. 7/8-2003/1.6.94		23.9.2003		OJ L 311/27.11.2003 Bull. 11-2003/1.6.60	Amended dec.: OJ L 308/9.11.2002
<b>Statistical system</b>							
<i>Policy aspects</i>							
142	Reg. (EC, Euratom) No 1287/2003: harmonisation of gross national income at market prices (GNI regulation)	OJ C 45 E/25.2.2003 COM(2002) 558 Bull. 10-2002/1.3.8		Bull. 3-2003/1.3.17		OJ L 181/19.7.2003 Bull. 7/8-2003/1.3.15	
142	Prop. for a dec.: Committee on monetary, financial and balance of payments statistics (codified version)	COM(2003) 298 Bull. 5-2003/1.3.9	Bull. 9-2003/1.3.4				
<b>Employment and social policy</b>							
<i>Employment</i>							
150	Dec. 2003/578/EC: guidelines for the Member States' employment policies	COM(2003) 176 Bull. 4-2003/1.3.9	OJ C 208/3.9.2003 Bull. 5-2003/1.3.12 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.21 <sup>o</sup>	Bull. 6-2003/1.3.15		Bull. 6-2003/1.3.15* OJ L 197/5.8.2003 Bull. 7/8-2003/1.3.21	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
150	Recomm. 2003/579/EC: implementation of the Member States' employment policies	COM(2003) 177 Bull. 4-2003/1.3.10				Bull. 6-2003/1.3.16* OJ L 197/5.8.2003 Bull. 7/8-2003/1.3.22	
<i>Social protection and social security</i>							
156	Reg. (EC) No 859/2003 extending the provisions of Reg. (EEC) No 1408/71 to nationals of third countries who are not already covered by these provisions solely on the ground of their nationality	OJ C 126 E/28.5.2002 COM(2002) 59 Bull. 1/2-2002/1.3.41		Bull. 11-2002/1.3.19		3.6.2002* Bull. 12-2002/1.3.17* OJ L 124/20.5.2003 Bull. 5-2003/1.3.14	Extended reg.: OJ L 149/5.7.1971
158	Prop. for a dec. establishing a Social Protection Committee	COM(2003) 305 Bull. 6-2003/1.3.18					
<i>Health and safety at work</i>							
169	Recomm. 2003/134/EC: application of legislation governing health and safety at work to self-employed workers	COM(2002) 166 Bull. 4-2002/1.3.14	OJ C 241/7.10.2002 Bull. 7/8-2002/1.3.20 OJ C 287/22.11.2002 Bull. 7/8-2002/1.3.20 <sup>o</sup>	OJ C 300 E/11.12.2003 Bull. 10-2002/1.3.16		Bull. 12-2002/1.3.25* OJ L 53/28.2.2003 Bull. 1/2-2003/1.3.55	
169	Dec.: setting up an advisory committee on safety, hygiene and health protection at work	COM(2002) 486 Bull. 9-2002/1.3.21				Bull. 6-2003/1.3.24* Bull. 7/8-2003/1.3.28 OJ C 218/13.9.2003	
<i>Social dialogue</i>							
170	Dec. 2003/174/EC: establishing a tripartite social summit for growth and employment	OJ C 227 E/24.9.2002 COM(2002) 341 Bull. 6-2002/1.3.19	OJ C 73/26.3.2003 Bull. 11-2002/1.3.22 <sup>o</sup>			OJ L 70/14.3.2003 Bull. 3-2003/1.3.23	
<i>European Monitoring Centre on Racism and Xenophobia</i>							
174	Prop. for a reg.: European Monitoring Centre on Racism and Xenophobia (recast version)	COM(2003) 483 Bull. 7/8-2003/1.2.6	Bull. 12-2003/1.2.3				
<i>Equal opportunities</i>							
179	Prop. for a dir. implementing the principle of equal treatment between women and men in the access to and supply of goods and services	COM(2003) 657 Bull. 11-2003/1.3.23					

	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
<b>Internal market</b>						
<i>Taxation</i>						
206	Dir. 2003/93/EC amending Dir. 77/799/EEC: mutual assistance by the competent authorities of the Member States in the field of direct and indirect taxation	OJ C 270 E/25.9.2001 COM(2001) 294 Bull. 6-2001/1.3.45	OJ C 80/3.4.2002 Bull. 1/2-2002/1.3.65	OJ C 284 E/21.11.2002 Bull. 9-2003/1.3.23		Bull. 1/2-2003/1.3.80* OJ L 264/15.10.2003 Bull. 10-2003/1.3.32  Amended dir.: OJ L 336/27.12.1977
206	Reg. (EC) No 1798/2003: administrative cooperation in the field of value added tax	OJ C 270 E/25.9.2001 COM(2001) 294 Bull. 6-2001/1.3.45	OJ C 80/3.4.2002 Bull. 1/2-2002/1.3.65	OJ C 284 E/21.11.2002 Bull. 1/2-2002/1.3.65 Bull. 9-2003/1.3.24		Bull. 1/2-2003/1.3.80* OJ L 264/15.10.2003 Bull. 10-2003/1.3.36
207	Dir. 2003/48/EC: taxation of savings income in the form of interest payments	OJ C 270 E/25.9.2001 COM(2001) 400 Bull. 7/8-2001/1.3.32	OJ C 48/21.2.2002 Bull. 11-2001/1.3.48	OJ C 47 E/27.2.2003 Bull. 3-2002/1.3.42		19.3.2003* OJ L 157/26.6.2003 Bull. 6-2003/1.3.36
207	Dir. 2003/49/EC: common system of taxation applicable to interest and royalty payments made between associated companies of different Member States	OJ C 123/22.4.1998 COM(1998) 67 Bull. 3-1998/1.2.45	OJ C 284/14.9.1998 Bull. 7/8-1998/1.3.31	OJ C 313/12.10.1998 Bull. 9-1998/1.2.27		19.3.2003* OJ L 157/26.6.2003 Bull. 6-2003/1.3.35
207	Prop. for a dir. amending Dir. 2003/49/EC on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States	COM(2003) 841 Bull. 12-2003/1.3.47				Dir. to be amended: OJ L 157/26.6.2003
208	Prop. for a dir. amending Dir. 90/435/EEC: common system of taxation applicable in the case of parent companies and subsidiaries of different Member States	COM(2003) 462 Bull. 7/8-2003/1.3.51	29.10.2003	Bull. 12-2003/1.3.43		Bull. 12-2003/1.3.43  Dir. to be amended: OJ L 225/20.8.1990
211	Dir. 2003/117/EC amending Dirs 92/79/EEC and 92/80/EEC, authorising France to prolong the application of lower rates of excise duty to tobacco products released for consumption in Corsica	COM(2003) 186 Bull. 4-2003/1.3.16	OJ C 234/30.9.2003 Bull. 7/8-2003/1.3.52	Bull. 10-2003/1.3.39		OJ L 333/20.12.2003 Bull. 12-2003/1.3.48  Amended dir.: 92/79/EEC and 92/80/EEC (OJ L 316/31.10.1992)
211	Prop. for a dir. amending Dirs 92/81/EEC and 92/82/EEC introducing special tax arrangements for diesel fuel used for commercial purposes and aligning the excise duties on petrol and diesel fuel	OJ C 291 E/26.11.2002 COM(2002) 410 Bull. 7/8-2002/1.3.37	OJ C 85/8.4.2003 Bull. 1/2-2003/1.3.76	Bull. 12-2003/1.3.54		Dirs to be amended: 92/81/EEC and 92/82/EEC (OJ L 316/31.10.1992)
212	Prop. for a dir. amending Dir. 77/388/EEC: common system of VAT, as regards conferment of implementing powers and the procedure for adopting derogations	COM(2003) 335 Bull. 6-2003/1.3.40	30.10.2003	Bull. 12-2003/1.3.51		Dir. to be amended: OJ L 145/13.6.1977
212	Prop. for a dir. amending Dir. 77/388/EEC as regards reduced rates of value added tax	COM(2003) 397 Bull. 7/8-2003/1.3.53	30.10.2003	Bull. 12-2003/1.3.48		Dir. to be amended: OJ L 145/13.6.1977
212	Prop. for a dir. amending Dir. 77/388/EEC as regards the place of supply of services	COM(2003) 822 Bull. 12-2003/1.3.53				Dir. to be amended: OJ L 145/13.6.1977

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
213	Prop. for a dir. amending Dir. 77/388/EEC: special scheme for travel agents	OJ C 126 E/28.5.2002 COM(2002) 64 Bull. 1/2-2002/1.3.68	OJ C 241/7.10.2002 Bull. 7/8-2002/1.3.36	OJ C 273 E/14.11.2003 Bull. 9-2002/1.3.40	COM(2003) 78 Bull. 1/2-2003/1.3.78		Dir. to be amended: OJ L 145/13.6.1977
214	Prop. for a dir. amending Dir. 77/388/EEC: value added tax on services provided in the postal sector	COM(2003) 234 Bull. 5-2003/1.3.33	Bull. 12-2003/1.3.50				Dir. to be amended: OJ L 145/13.6.1977
216	Dir. 2003/92/EC amending Dir. 77/388/EEC as regards the rules on the place of supply of electricity and gas	COM(2002) 688 Bull. 12-2002/1.3.48	OJ C 133/6.6.2003	Bull. 5-2003/1.3.34		OJ L 260/11.10.2003 Bull. 10-2003/1.3.35	Amended dir.: OJ L 145/13.6.1977
217	Dir. 2003/96/EC restructuring the Community framework for the taxation of energy products	OJ C 139/6.4.1997 COM(97) 30 Bull. 3-1997/1.3.31	OJ C 19/21.1.1998 Bull. 10-1997/1.2.51	OJ C 219/30.7.1999 Bull. 4-1999/1.3.31 Bull. 9-2003/1.3.26		19.3.2003* OJ L 283/31.10.2003 Bull. 10-2003/1.3.37	Adoption of a resolution by the ECSC Consultative Committee: OJ C 356/22.11.1997 Bull. 10-1997/1.2.51 ECSC Consultative Committee opinion: OJ C 170/14.6.2001
219	Prop. for a dec. concerning the dock dues in the French overseas departments and extending the period of validity of Dec. 89/688/EEC	COM(2003) 792 Bull. 12-2003/1.3.44					Dec. to be extended: OJ L 399/30.12.1989

#### *Company law and corporate governance*

221	Reg. (EC) No 1435/2003: Statutes for the European cooperative society	OJ C 99/21.4.1992 COM(91) 273 Bull. 12-1991/1.2.73	OJ C 223/31.8.1992 Bull. 5-1992/1.1.59	OJ C 42/15.2.1993 Bull. 1/2-1993/1.2.89 Bull. 5-2003/1.3.38	OJ C 236/31.8.1993 COM(93) 252 Bull. 7/8-1993/1.2.82	Bull. 6-2003/1.3.42* OJ L 207/18.8.2003 Bull. 7/8-2003/1.3.55	
221	Dir. 2003/72/EC: statute for the European cooperative society (place of employees)	OJ C 99/21.4.1992 COM(91) 273 Bull. 12-1991/1.2.73	OJ C 223/31.8.1992 Bull. 5-1992/1.1.59	OJ C 42/15.2.1993 Bull. 1/2-1993/1.2.89 Bull. 5-2003/1.3.39	OJ C 236/31.8.1993 COM(93) 252 Bull. 7/8-1993/1.2.82	Bull. 6-2003/1.3.43* OJ L 207/18.8.2003 Bull. 7/8-2003/1.3.56	

#### *Intellectual and industrial property*

227	Prop. for a dec. conferring jurisdiction on the Court of Justice in disputes relating to the Community patent	COM(2003) 827 Bull. 12-2003/1.3.58					
227	Prop. for a dec. establishing the Community Patent Court and concerning appeals before the Court of First Instance	COM(2003) 828 Bull. 12-2003/1.3.58					
228	Reg. (EC) No 1992/2003 amending Reg. (EC) No. 40/94: Community trademark	OJ C 300/10.10.1996 COM(96) 372 Bull. 7/8-1996/1.3.27	OJ C 89/19.3.1997 Bull. 1/2-1997/1.2.41	OJ C 167/2.6.1997 Bull. 5-1997/1.3.52		OJ L 296/14.11.2003	Amended reg.: OJ L 11/14.1.1994
228	Prop. for a reg. amending Reg. (EC) No 40/94 on the Community trademark	COM(2002) 767 Bull. 12-2002/1.3.54	OJ C 208/3.9.2003 Bull. 5-2003/1.3.42	Bull. 9-2003/1.3.28		Bull. 11-2003/1.3.40*	Reg. to be amended: OJ L 11/14.1.1994

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
<b>Competition policy</b>							
<i>Competition rules applying to businesses</i>							
237	Prop. for a reg. repealing Reg. (EEC) No 3975/87 and amending Regs (EEC) No 3976/87 and (EC) No 1/2003, in connection with air transport between the EC and third countries	COM(2003) 91 Bull. 1/2-2003/1.3.101		Bull. 9-2003/1.3.34			Reg. to be repealed: (EEC) No 3975/87 (OJ L 374/31.12.1987) Regs to be amended: (EEC) No 3976/87 (OJ L 374/31.12.1987) and (EC) No 1/2003 (OJ L 1/4.1.2003)
256	Prop. for a reg.: control of concentrations between undertakings	OJ C 20/28.1.2003 COM(2002) 711 Bull. 12-2002/1.3.55	Bull. 9-2003/1.3.31	Bull. 10-2003/1.3.42		Bull. 11-2003/1.3.41*	
<b>Research and technology policy</b>							
<i>Implementation of the sixth framework programme 2002–06</i>							
341	Prop. for a dec. amending Dec. 2002/834/EC: specific programme for research, technological development and demonstration (stem cell research) (2002–06)	COM(2003) 390 Bull. 7/8-2003/1.3.109	Bull. 10-2003/1.3.78	Bull. 11-2003/1.3.69	COM(2003) 749 Bull. 11-2003/1.3.69		Dec. to be amended: OJ L 294/29.10.2002
370	Prop. for a dec. on adopting a supplementary research programme to be implemented by the Joint Research Centre for the European Atomic Energy Community	COM(2003) 756 Bull. 12-2003/1.3.101					
<b>Economic and social cohesion</b>							
<i>Cohesion Fund</i>							
421	Prop. for a reg. establishing a Cohesion Fund (codified version)	COM(2003) 352 Bull. 6-2003/1.3.83	Bull. 9-2003/1.3.72	Bull. 12-2003/1.3.113			Reg. to be codified: OJ L 161/26.6.1999
<b>Measures to assist the outermost regions</b>							
426	Prop. for a reg.: management of fishing fleets registered in the outermost regions	COM(2003) 175 Bull. 5-2003/1.3.112		Bull. 12-2003/1.3.149			
427	Reg. (EC) No 55/2004 amending Reg. (EC) No 1453/2001 (Azores and Madeira)	COM(2003) 617 Bull. 10-2003/1.3.90		Bull. 12-2003/1.3.115		Bull. 12-2003/1.3.115 OJ L 8/14.1.2004	Modified reg.: OJ L 198/21.7.2001

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>	
<b>Agriculture and rural development</b>							
<i>Content of the common agricultural policy (CAP)</i>							
435	Reg. (EC) No 1782/2003: common rules for direct support schemes under the common agricultural policy and support schemes for producers of certain crops	OJ C 311/20.12.2003 COM(2003) 23 Bull. 1/2-2003/1.3.154	OJ C 208/3.9.2003 Bull. 5-2003/1.3.91 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	
435	Reg. (EC) No 1783/2003 amending Reg. (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)	OJ C 311/20.12.2003 COM(2003) 23	OJ C 208/3.9.2003 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	Amended reg.: OJ L 160/26.6.1999
435	Reg. (EC) No 1784/2003: common organisation of the market in cereals	OJ C 311/20.12.2003 COM(2003) 23 Bull. 1/2-2003/1.3.154	OJ C 208/3.9.2003 Bull. 5-2003/1.3.92 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	
435	Reg. (EC) No 1785/2003: common organisation of the market in rice	OJ C 311/20.12.2003 COM(2003) 23 Bull. 1/2-2003/1.3.154	OJ C 208/3.9.2003 Bull. 5-2003/1.3.93 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	
435	Reg. (EC) No 1786/2003: common organisation of the market in dried fodder for the marketing years 2004/05 to 2007/08	OJ C 311/20.12.2003 COM(2003) 23	OJ C 208/3.9.2003 Bull. 5-2003/1.3.94 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	
435	Reg. (EC) No 1787/2003 amending Reg. (EC) No 1255/1999 on the common organisation of the market in milk and milk products	OJ C 311/20.12.2003 COM(2003) 23 Bull. 1/2-2003/1.3.154	OJ C 208/3.9.2003 Bull. 5-2003/1.3.95 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	Amended reg.: OJ L 160/26.6.1999
435	Reg. (EC) No 1788/2003: levy in the milk and milk products sector	OJ C 311/20.12.2003 COM(2003) 23 Bull. 1/2-2003/1.3.154	OJ C 208/3.9.2003 Bull. 5-2003/1.3.95 OJ C 256/24.10.2003 Bull. 7/8-2003/1.3.126 <sup>o</sup>	Bull. 6-2003/1.3.89		Bull. 6-2003/1.3.89* OJ L 270/21.10.2003 Bull. 9-2003/1.3.75	
437	Prop. for a reg. adapting Regs (EC) No 1782/2003 (common agricultural policy), (EC) No 1786/2003 (dried fodder) and (EC) No 1257/1999 (EAGGF — accession of the CEECs)	COM(2003) 640 Bull. 10-2003/1.3.101				Bull. 12-2003/1.3.123	Regs to be amended: (EC) No 1782/2003 and (EC) No 1786/2003 (OJ L 270/21.10.2003) and (EC) No 1257/1999 (OJ L 160/26.6.1999)
437	Prop. for a dec. adapting the Act of Accession of the CEECs and the adjustments to the Treaties on which the European Union is founded, following the reform of the common agricultural policy	COM(2003) 643 Bull. 10-2003/1.5.6					

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
437	Prop. for a reg. amending Reg. (EC) No 1257/1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF)	COM(2003) 806 Bull. 12-2003/1.3.138					Reg. to be amended: OJ L 160/26.6.1999
441	Reg. (EC) No 2322/2003 derogating from Reg. (EC) No 1251/1999 as regards the set-aside requirement for the 2004/05 marketing year	COM(2003) 691 Bull. 11-2003/1.3.90		Bull. 12-2003/1.3.129		OJ L 345/31.12.2003 Bull. 12-2003/1.3.129	
<i>Quality of agricultural products</i>							
447	Prop. for a reg. amending Reg. (EEC) No 2092/91: organic production of agricultural products and indications referring thereto in agricultural products and foodstuffs	OJ C 311/20.12.2003 COM(2003) 14 Bull. 1/2-2003/1.3.161		Bull. 12-2003/1.3.127			Reg. to be amended: OJ L 198/22.7.1991
448	Prop. for a reg. establishing a Community programme on the conservation, characterisation, collection and utilisation of genetic resources in agriculture	COM(2003) 817 Bull. 12-2003/1.3.124					
449	Reg. (EC) No 692/2003 amending Reg. (EEC) No 2081/92: protection of geographical indications and designations of origin for agricultural products and foodstuffs	OJ C 181 E/30.7.2002 COM(2002) 139 Bull. 3-2002/1.3.79	OJ C 241/7.10.2002 Bull. 7/8-2002/1.3.103 14.11.2001 <sup>o</sup>	Bull. 12-2002/1.3.108		OJ L 99/17.4.2003 Bull. 4-2003/1.3.64	Amended reg.: OJ L 208/24.7.1992
<i>Management of the common agricultural policy</i>							
451	Reg. (EC) No 670/2003: common organisation of the market in ethyl alcohol of agricultural origin	COM(2001) 101 Bull. 1/2-2001/1.3.170	OJ C 260/17.9.2001 Bull. 7/8-2001/1.3.127	OJ C 261 E/30.10.2003 Bull. 6-2002/1.3.115		OJ L 97/15.4.2003 Bull. 4-2003/1.3.65	
452	Reg. (EC) No 1104/2003 amending Reg. (EEC) No 1766/92: calculation of import duties on certain cereals	COM(2002) 732 Bull. 12-2002/1.3.110		Bull. 4-2003/1.3.66		OJ L 158/27.6.2003 Bull. 5-2003/1.3.102	Amended reg.: OJ L 181/17.1.1992
453	Reg. (EC) No 2320/2003 amending Reg. (EEC) No 1696/71 on the common organisation of the market in hops	COM(2003) 562 Bull. 9-2003/1.3.78	Bull. 12-2003/1.3.130	Bull. 11-2003/1.3.95		OJ L 345/31.12.2003 Bull. 12-2003/1.3.130	Amended reg.: OJ L 175/4.8.1971
454	Prop. for a reg. on the common organisation of the market in olive oil and table olives and amending Reg. (EEC) No 827/68	COM(2003) 698 Bull. 11-2003/1.3.96					Reg. to be amended: OJ L 151/30.6.1968
455	Reg. (EC) No 2323/2003: aid rates in the seeds sector for the 2004/05 marketing year	COM(2003) 552 Bull. 9-2003/1.3.81	Bull. 12-2003/1.3.132	Bull. 12-2003/1.3.132		OJ L 345/31.12.2003 Bull. 12-2003/1.3.132	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
456	Prop. for a reg. amending Reg. (EC) No 1673/2000 on the common organisation of the markets in flax and hemp grown for fibre	COM(2003) 701 Bull. 11-2003/1.3.98					Reg. to be amended: OJ L 193/29.7.2000
457	Prop. for a reg.: common organisation of the market in raw tobacco (codified version)	COM(2003) 243 Bull. 5-2003/1.3.103	OJ C 234/30.9.2003 Bull. 7/8-2003/1.3.138				
457	Reg. (EC) No 2319/2003 amending Reg. (EEC) No 2075/92 on the common organisation of the market in raw tobacco	COM(2003) 633 Bull. 10-2003/1.3.107	Bull. 12-2003/1.3.133	Bull. 12-2003/1.3.133		OJ L 345/31.12.2003 Bull. 12-2003/1.3.133	Amended reg.: OJ L 215/30.7.1992
459	Reg. (EC) No 1805/2003 amending Reg. (EC) No 2596/97 extending the period provided for in Article 149(1) of the Act of Accession of Austria, Finland and Sweden	COM(2003) 372 Bull. 7/8-2003/1.3.140	Bull. 9-2003/1.3.84 OJ C 10/14.1.2004	Bull. 10-2003/1.3.108		OJ L 265/16.10.2003 Bull. 10-2003/1.3.108	Amended reg.: OJ L 351/23.12.1997
460	Prop. for a reg. laying down general rules for the application of measures to improve the production and marketing of honey (codified version)	COM(2003) 737 Bull. 12-2003/1.3.137					
462	Prop. for a reg.: common organisation of the market in pigmeat (codified version)	COM(2003) 297 Bull. 5-2003/1.3.104	OJ C 234/30.9.2003 Bull. 7/8-2003/1.3.142				
465	Reg. (EC) No 2059/2003 amending Reg. No 79/65/EEC setting up a network for the collection of accountancy data on the incomes and business operation of agricultural holdings	COM(2003) 472 Bull. 7/8-2003/1.3.127	Bull. 10-2003/1.3.100	Bull. 10-2003/1.3.100		OJ L 308/25.11.2003 Bull. 11-2003/1.3.91	Amended reg.: OJ L 109/23.6.1965

## Fisheries

### *Resource conservation and management*

483	Reg. (EC) No 882/2003: tuna tracking and verification system	OJ C 304 E/30.10.2001 COM(2001) 406 Bull. 7/8-2001/1.3.137		Bull. 3-2003/1.3.101		OJ L 127/23.5.2003 Bull. 5-2003/1.3.107	
483	Prop. for a reg.: measures concerning incidental catches of cetaceans in fisheries and amending Reg. (EC) No 88/98	COM(2003) 451 Bull. 7/8-2003/1.3.147					Reg. to be amended: OJ L 9/15.1.1998
483	Prop. for a reg.: conservation of fishery resources through technical measures for the protection of juveniles of marine organisms	COM(2002) 672 Bull. 12-2002/1.3.119		Bull. 6-2003/1.3.96			
484	Prop. for a reg.: measures for the recovery of cod stocks	COM(2003) 237 Bull. 5-2003/1.3.106		Bull. 10-2003/1.3.118		Bull. 12-2003/1.3.146	
484	Prop. for a reg.: measures for the recovery of the northern hake stock	COM(2003) 374 Bull. 6-2003/1.3.97					
484	Prop. for a reg. establishing measures for the recovery of the southern hake and Norway lobster stocks in the Cantabrian Sea and western Iberian peninsula and amending Reg. (EC) No 850/98	COM(2003) 818 Bull. 12-2003/1.3.147					Reg. to be amended: OJ L 125/27.4.1998

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
484	Prop. for a reg. establishing measures for the recovery of the sole stocks in the western Channel and the Bay of Biscay	COM(2003) 819 Bull. 12-2003/1.3.148					
485	Prop. for a reg. amending Reg. (EC) No 3069/95 establishing an EC observer scheme applicable to EC fishing vessels operating in the regulatory area of the NAFO	COM(2003) 611 Bull. 10-2003/1.3.126					Reg. to be amended: OJ L 329/30.12.1995
485	Prop. for a dec. on a Community financial contribution towards Member States' fisheries control programmes	COM(2003) 706 Bull. 11-2003/1.3.107					
486	Reg. (EC) No 1954/2003: management of the fishing effort relating to certain Community fishing areas and resources and modifying Reg. (EEC) No 2847/93 ('western waters')	COM(2002) 739 Bull. 12-2002/1.3.120		Bull. 6-2003/1.3.95		Bull. 10-2003/1.3.115* OJ L 289/7.11.2003 Bull. 11-2003/1.3.106	Amended reg.: OJ L 261/20.10.1993
487	Reg. (EC) No 669/2003 amending Reg. (EC) No 1035/2001 establishing a catch documentation scheme for <i>Dissostichus spp.</i>	OJ C 291 E/26.11.2002 COM(2002) 424 Bull. 7/8-2002/1.3.120		Bull. 1/2-2003/1.3.173		OJ L 97/15.4.2003 Bull. 4-2003/1.3.72	Amended reg.: OJ L 145/31.5.2001
487	Reg. (EC) No 1984/2003: system for the statistical monitoring of trade in bluefin tuna, swordfish and bigeye tuna	OJ C 331 E/31.12.2002 COM(2002) 453 Bull. 7/8-2002/1.3.123		Bull. 1/2-2003/1.3.174		OJ L 295/13.11.2003 Bull. 4-2003/1.3.73	
487	Prop. for a reg. amending Reg. (EC) No 2791/1999: control measures applicable in the area covered by the Convention on future multilateral cooperation in the north-east Atlantic fisheries	COM(2003) 349 Bull. 6-2003/1.3.101					Reg. to be amended: OJ L 337/30.12.1999
<b>Market organisation</b>							
491	Reg. (EC) No 2328/2003: scheme to compensate for the additional costs incurred in the marketing of fishery products from the Azores, Madeira, the Canary Islands, French Guiana and Réunion	COM(2003) 516 Bull. 7/8-2003/1.3.124	Bull. 10-2003/1.3.92	Bull. 12-2003/1.3.114		OJ L 345/31.12.2003	
<b>Fisheries and the environment</b>							
493	Reg. (EC) No 1185/2003: removal of the fins of sharks on board vessels	OJ C 331 E/31.12.2002 COM(2002) 449 Bull. 7/8-2002/1.3.113		Bull. 3-2003/1.3.102		OJ L 167/4.7.2003 Bull. 6-2003/1.3.100	
493	Prop. for a reg. amending Reg. (EC) No 850/98: protection of coral reefs from the effects of trawling in an area north-west of Scotland	COM(2003) 519 Bull. 7/8-2003/1.3.149					Reg. to be amended: OJ L 125/27.4.1998

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>	
<i>Structural action</i>							
495	Reg. (EC) No 2325/2003 amending Reg. (EC) No 2561/2001: conversion of fishing vessels and of fishermen that were, up to 1999, dependent on the fishing agreement with Morocco	COM(2003) 437 Bull. 7/8-2003/1.3.156	Bull. 10-2003/1.3.124	Bull. 12-2003/1.3.154		OJ L 345/31.12.2003 Bull. 12-2003/1.3.154	Amended reg.: OJ L 344/28.12.2001
496	Prop. for a reg. amending Reg. (EC) No 2792/1999 laying down the detailed rules and arrangements regarding Community structural assistance in the fisheries sector	COM(2003) 658 Bull. 11-2003/1.3.105					Reg. to be amended: OJ L 337/30.12.1999

## **Citizenship and quality of life**

### **Area of freedom, security and justice**

#### *Policy on visas, crossing of borders and internal movement*

501	Initiative of Greece for a dec.: minimum indications to be used on signs at external border crossing points			Bull. 11-2003/1.4.5			
501	Prop. for a reg. on the establishment of a regime of local border traffic at the external land borders of the Member States	COM(2003) 502 Bull. 7/8-2003/1.4.2					
501	Prop. for a reg. on the establishment of a regime of local border traffic at the temporary external land borders between Member States	COM(2003) 502 Bull. 7/8-2003/1.4.2					
501	Prop. for a reg. establishing a European Agency for the Management of Operational Cooperation at the External Borders	COM(2003) 687 Bull. 11-2003/1.4.3					
502	Prop. for a reg. amending Reg. (EC) No 1683/95 laying down a uniform format for visas	COM(2003) 558 Bull. 9-2003/1.4.1					Reg. to be amended: OJ L 164/14.7.1995
502	Prop. for a reg. amending Reg. (EC) No 1030/2002 laying down a uniform format for residence permits for third-country nationals	COM(2003) 558 Bull. 9-2003/1.4.1					Reg. to be amended: OJ L 157/15.6.2002
502	Prop. for a reg. on the requirement to stamp systematically the travel documents of third-country nationals when they cross the external borders of the Member States (amending the Convention implementing the Schengen Agreement)	COM(2003) 664 Bull. 11-2003/1.4.2					
502	Prop. for a dir.: short-term residence permit issued to victims of action to facilitate illegal immigration or trafficking in human beings who cooperate with the competent authorities	OJ C 126 E/28.5.2002 COM(2002) 71 Bull. 1/2-2002/1.4.4	OJ C 221/17.9.2002 Bull. 5-2002/1.4.5	Bull. 12-2002/1.4.3		Bull. 11-2003/1.4.10*	

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
502	Reg. (EC) No 453/2003 amending Reg. (EC) No 539/2001: list of third countries whose nationals must be in possession of visas when crossing the external borders of Member States	COM(2002) 679 Bull. 11-2002/1.4.13		Bull. 1/2-2003/1.4.1		OJ L 69/13.3.2003 Bull. 3-2003/1.4.3	Amended reg.: OJ L 81/21.3.2001
502	Reg. (EC) No 1295/2003: measures envisaged to facilitate the procedures for applying for and issuing visas for the 2004 Olympic Games in Athens	COM(2003) 172 Bull. 4-2003/1.4.1		Bull. 6-2003/1.4.5		OJ L 183/22.7.2003 Bull. 7/8-2003/1.4.1	
503	Reg. (EC) No 415/2003: issue of visas at the border, including visas for seamen in transit			Bull. 1/2-2003/1.4.2		OJ L 64/7.3.2003 Bull. 1/2-2003/1.4.2	Initiative of Spain: OJ C 139/12.6.2002
503	Reg. (EC) No 693/2003 establishing a facilitated transit document (FTD) and a facilitated rail transit document (FRTD)	COM(2003) 60 Bull. 1/2-2003/1.4.5		Bull. 4-2003/1.4.2		OJ L 99/17.4.2003 Bull. 4-2003/1.4.2	
503	Reg. (EC) No 694/2003: uniform formats for the facilitated transit document (FTD) and the facilitated rail transit document (FRTD)	COM(2003) 60 Bull. 1/2-2003/1.4.5		Bull. 4-2003/1.4.2		OJ L 99/17.4.2003 Bull. 4-2003/1.4.2	
<i>Asylum, immigration</i>							
506	Dir.: status of third-country nationals who are long-term residents	OJ C 240 E/28.8.2001 COM(2001) 127 Bull. 3-2001/1.4.8	OJ C 36/8.2.2002 Bull. 10-2001/1.4.12 OJ C 19/22.1.2002 Bull. 9-2001/1.4.12 <sup>o</sup>	OJ C 284 E/21.11.2002 Bull. 1/2-2002/1.4.2		Bull. 6-2003/1.4.12* Bull. 11-2003/1.4.13	
506	Prop. for a dir.: conditions of entry and residence of third-country nationals for the purpose of paid employment and self-employed economic activities	OJ C 332 E/27.11.2001 COM(2001) 386 Bull. 7/8-2001/1.4.3	OJ C 80/3.4.2002 Bull. 1/2-2002/1.4.6 OJ C 192/12.8.2002*	Bull. 1/2-2003/1.4.14		OJ C 80/3.4.2002 Bull. 3-2003/1.4.6 OJ C 244/10.10.2003 Bull. 4-2003/1.4.7 <sup>o</sup>	
506	Prop. for a dir.: conditions of entry and residence of third-country nationals for the purposes of studies, vocational training or voluntary service	OJ C 45 E/25.2.2003 COM(2002) 548 Bull. 10-2002/1.4.1	OJ C 133/6.6.2003 Bull. 3-2003/1.4.6 OJ C 244/10.10.2003 Bull. 4-2003/1.4.7 <sup>o</sup>	Bull. 6-2003/1.4.10			
507	Dir. 2003/9/EC: minimum standards for the reception of applicants for asylum in Member States	OJ C 213 E/31.7.2001 COM(2001) 181 Bull. 4-2001/1.4.1	OJ C 48/21.2.2002 Bull. 11-2001/1.4.6 OJ C 107/3.5.2002 Bull. 11-2001/1.4.6 <sup>o</sup>	OJ C 131 E/5.6.2003 Bull. 4-2002/1.4.7		28.11.2002* OJ L 31/6.2.2003 Bull. 1/2-2003/1.4.12	
507	Initiative of Greece for a reg.: creation of an immigration liaison officers network			Bull. 11-2003/1.4.9			
507	Prop. for a dir.: minimum standards on procedures in Member States for granting and withdrawing refugee status	OJ C 62 E/27.2.2001 COM(2000) 578 Bull. 9-2000/1.4.6	OJ C 193/10.7.2001 Bull. 4-2001/1.9.5	OJ C 77 E/28.3.2002 Bull. 9-2001/1.4.10	OJ C 291 E/26.11.2002 COM(2002) 326 Bull. 6-2002/1.4.4		

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
508	Initiative of Austria for a reg. establishing the criteria for determining the States which qualify as safe third States for the purpose of taking the responsibility for examining an application for asylum (list of European safe third States)		23.9.2003			
508	Reg. (EC) No 343/2003: criteria and mechanisms for the Member State responsible for examining an asylum application in one of the Member States	OJ C 304 E/30.10.2001 COM(2001) 447 Bull. 7/8-2001/1.4.6	OJ C 125/27.5.2002 Bull. 3-2002/1.4.1	OJ C 127 E/29.5.2003 Bull. 4-2002/1.4.2	OJ L 50/25.2.2003 Bull. 1/2-2003/1.4.15	
509	Dir. 2003/86/EC: right to family reunification	OJ C 116 E/26.4.2000 COM(1999) 638 Bull. 12-1999/1.5.4	OJ C 204/18.7.2000 Bull. 5-2000/1.4.5 OJ C 241/7.10.2002 Bull. 7/8-2002/1.4.1 OJ C 73/26.3.2003 Bull. 11-2002/1.4.3 <sup>o</sup>	OJ C 135/7.5.2001 Bull. 9-2000/1.4.5 Bull. 4-2003/1.4.6	OJ C 62 E/27.2.2001 COM(2000) 624 Bull. 10-2000/1.4.2 OJ C 203 E/27.8.2002 COM(2002) 225 Bull. 5-2002/1.4.2	Bull. 1/2-2003/1.4.16* OJ L 251/3.10.2003 Bull. 9-2003/1.4.6
510	Prop. for a dec. establishing a secure web-based information and coordination network for Member States' migration management services	COM(2003) 727 Bull. 11-2003/1.4.11				
512	Prop. for a dec.: criteria and practical arrangements for the compensation of the financial imbalances resulting from the application of Dir. 2001/40/EC on the mutual recognition of decisions on the expulsion of third-country nationals	COM(2003) 49 Bull. 1/2-2003/1.4.13	OJ C 220/16.9.2003 Bull. 6-2003/1.4.9	Bull. 6-2003/1.4.9		Dir. 2001/40/EC: OJ L 149/2.6.2001
512	Dir. 2003/110/EC: assistance in cases of transit for the purposes of removal by air			23.9.2003	OJ L 321/6.12.2003 Bull. 11-2003/1.4.12	
<i>Judicial cooperation in civil and commercial matters</i>						
515	Dir. 2003/8/EC: minimum common rules relating to legal aid and other financial aspects of civil proceedings	OJ C 103 E/30.4.2002 COM(2002) 13 Bull. 1/2-2002/1.4.15	OJ C 221/17.9.2002 Bull. 5-2002/1.4.12	OJ C 273 E/14.11.2003 Bull. 9-2002/1.4.7	Bull. 10-2002/1.4.14* OJ L 26/31.1.2003 OJ L 32/7.2.2003 Bull. 1/2-2003/1.4.18	
516	Reg. (EC) No 2201/2003: jurisdiction and the recognition and enforcement of judgments in matrimonial matters and in matters of parental responsibility repealing Reg. (EC) No 1347/2000 and amending Reg. (EC) No 44/2001 (maintenance matters)	OJ C 203 E/27.8.2002 COM(2002) 222 Bull. 5-2002/1.4.11	OJ C 61/14.3.2003 Bull. 9-2002/1.4.5	Bull. 11-2002/1.4.17	Bull. 10-2003/1.4.7* OJ L 338/23.12.2003 Bull. 11-2003/1.4.16	Repealed reg.: (EC) No 1347/2000 (OJ L 160/30.6.2000) Amended reg.: (EC) No 44/2001 (OJ L 12/16.1.2001)
516	Prop. for a dec. authorising the Member States to accede to, or ratify, The Hague Convention (parental responsibility)	COM(2003) 348 Bull. 6-2003/1.4.21		Bull. 10-2003/1.4.8		
516	Initiative of the Netherlands for a reg. amending Reg. (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters		29.10.2003	2.9.2003		Reg. to be amended: OJ L 12/16.1.2001

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP opinion	Amended Commission proposal	Adoption by Council*	Observations
<i>Judicial cooperation in criminal matters</i>						
520	Initiative of Greece for a framework decision concerning the application of the 'ne bis in idem' principle		2.9.2003			
521	Dec. 2003/169/JHA: provisions of the 1995 Convention (simplified extradition procedure between Member States) and of the 1996 Convention (extradition between Member States) — developments of the Schengen <i>acquis</i>		OJ C 140 E/13.6.2002 Bull. 11-2001/1.4.15		OJ L 67/12.3.2003 Bull. 1/2-2003/1.4.23	Initiative of Sweden: OJ C 195/11.7.2001
523	Prop. for a framework dec. on the European evidence warrant for obtaining objects, documents and data for use in proceedings in criminal matters	COM(2003) 688 Bull. 11-2003/1.4.26				
524	Framework Dec. 2003/577/JHA: execution of orders freezing assets or evidence		OJ C 77 E/28.3.2002 OJ C 261 E/30.10.2003 Bull. 6-2002/1.4.15		OJ L 196/2.8.2003	Initiative of France, Sweden and Belgium: OJ C 75/7.3.2001
526	Framework Dec. 2003/568/JHA: combating corruption in the private sector		Bull. 11-2002/1.4.20		OJ L 192/31.7.2003 Bull. 7/8-2003/1.4.8	Initiative of Denmark: OJ C 184/2.8.2002
<i>Police and customs cooperation</i>						
529	Initiative of Greece for a dec. adjusting the basic salaries and allowances applicable to Europol staff		Bull. 4-2003/1.4.12		5.6.2003	Initiative of Greece: OJ C 52/6.3.2003
529	Council Act amending the Council Act of 3 November 1998 adopting rules on the confidentiality of Europol information		Bull. 4-2003/1.4.10		Bull. 6-2003/1.4.24	
529	Council Act amending the Staff Regulations applicable to Europol employees		Bull. 4-2003/1.4.11		Bull. 6-2003/1.4.24	
529	Council Act drawing up a protocol amending the Convention on the Establishment of a European Police Office (Europol Convention)		Bull. 4-2003/1.4.9		Bull. 11-2003/1.4.17	Initiative of Denmark: OJ C 172/18.7.2002
531	Dec. 2003/170/JHA: common use of liaison officers posted abroad by the law enforcement agencies of the Member States		Bull. 11-2002/1.4.19		OJ L 67/12.3.2003 Bull. 1/2-2003/1.4.24	Initiative of Denmark: OJ C 176/24.7.2002
531	Council Act: use of information technology for customs purposes (customs files identification database)		Bull. 12-2002/1.4.26		Bull. 5-2003/1.4.15	

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
532	Initiative of Greece for a dec. on procedures for amending the Sirene manual		23.9.2003			
532	Initiative of Greece for a reg. on procedures for amending the Sirene manual		24.9.2003			
532	Dec. 2003/725/JHA on the gradual abolition of border checks (amendment of Art. 40 of the Schengen Agreement)		OJ C 127 E/29.5.2003 Bull. 4-2002/1.4.21		OJ L 260/11.10.2003	Initiative of Belgium, Spain and France: OJ C 285/11.1.2001
<i>Combating crime</i>						
536	Framework Dec. 2003/80/JHA: combating serious environmental crime		OJ C 121/24.4.2001 Bull. 7/8-2000/1.4.17 OJ C 127 E/29.5.2003 Bull. 4-2002/1.4.53		15.3.2001* OJ L 29/5.2.2003 Bull. 1/2-2003/1.4.54	Initiative of Denmark: OJ C 39/11.2.2000
536	Prop. for a dec. to strengthen the criminal law framework for the enforcement of the law against ship-source pollution	COM(2003) 227 Bull. 5-2003/1.4.55				
537	Initiative of Greece for a framework dec.: prevention and control of trafficking in human organs and tissues		23.10.2003			
537	Dec. 2003/335/JHA: investigation and prosecution of war crimes and crimes against humanity		Bull. 12-2002/1.4.20		OJ L 118/14.5.2003 Bull. 5-2003/1.4.11	Initiative of Denmark: OJ C 223/19.9.2002
537	Prop. for a dec.: conclusion, on behalf of the European Community, of the United Nations Convention against Transnational Organised Crime	COM(2003) 512 Bull. 7/8-2003/1.4.6				
537	Prop. for a dec.: conclusion, on behalf of the European Community, of the protocol against the smuggling of migrants by land, sea and air, supplementing the United Nations Convention against Transnational Organised Crime	COM(2003) 512 Bull. 7/8-2003/1.4.6				
537	Prop. for a dec.: conclusion, on behalf of the European Community, of the protocol to prevent, suppress and punish trafficking in persons, supplementing the United Nations Convention against Transnational Organised Crime	COM(2003) 512 Bull. 7/8-2003/1.4.6				
537	Prop. for a dir.: compensation to crime victims	OJ C 45 E/25.2.2003 COM(2002) 562 Bull. 10-2002/1.4.13	OJ C 95/23.4.2003 Bull. 1/2-2003/1.4.20	Bull. 10-2003/1.4.9		
539	Prop. for a framework dec.: attacks against information systems	OJ C 203 E/27.8.2002 COM(2002) 173 Bull. 4-2002/1.4.12		OJ C 300 E/11.12.2003 Bull. 10-2002/1.3.61		

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
<i>Combating drug use and trafficking</i>							
541	Prop. for a framework dec.: constituent elements of criminal acts and penalties in the field of illicit drug trafficking	OJ C 270 E/25.9.2001 OJ C 304 E/30.10.2001 COM(2001) 259 Bull. 5-2001/1.4.19		OJ C 131 E/5.6.2003 Bull. 4-2002/1.4.29		Bull. 11-2003/1.4.29*	
542	Prop. for a dec.: information exchange, risk-assessment and the control on new narcotic drugs and new synthetic drugs	COM(2003) 560 Bull. 10-2003/1.4.18					
542	Dec. 2003/847/JHA: control measures and criminal sanctions in respect of the new synthetic drugs					OJ L 321/6.12.2003 Bull. 11-2003/1.4.30	
543	Prop. for a reg. on the European Monitoring Centre for Drugs and Drug Addiction (recast)	COM(2003) 808 Bull. 12-2003/1.4.27					
<b>Union citizenship</b>							
<i>Right to vote and to stand as a candidate in elections</i>							
549	Prop. for a dec.: Community action programme to promote active European citizenship	COM(2003) 276 Bull. 5-2003/1.4.3	Bull. 11-2003/1.4.7 <sup>o</sup>	Bull. 11-2003/1.4.7			
<b>Education and culture</b>							
<i>Education and training</i>							
560	Prop. for a dec.: rules of the Advisory Committee on Vocational Training	COM(2003) 394 Bull. 7/8-2003/1.4.11					
560	Prop. for a dec. on a single framework for the transparency of qualifications and competences (Europass)	COM(2003) 796 Bull. 12-2003/1.4.29					

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
<b>Energy</b>						
<i>Internal energy market</i>						
642	Prop. for a dir. repealing Dirs 68/414/EEC and 98/93/EC (minimum stocks of crude oil), and Dir. 73/238/EEC (measures to mitigate the effects of difficulties in the supply of crude oil)	OJ C 331 E/31.12.2002 COM(2002) 488 COM(2003) 61 Bull. 9-2002/1.4.43	OJ C 133/6.6.2003			Dirs to be repealed: 68/414/EEC (OJ L 308/23.12.1968), 98/93/EC (OJ L 358/31.12.1998) and 73/238/EEC (OJ L 228/16.8.1973)
<i>Individual sectors</i>						
648	Dec. 2003/882/EC authorising the Member States which are contracting parties to the Paris Convention on Third Party Liability in the Field of Nuclear Energy to sign the protocol amending that Convention	COM(2003) 409 Bull. 7/8-2003/1.4.33			OJ L 338/23.12.2003 Bull. 11-2003/1.4.71	
<i>Nuclear safety</i>						
653	Prop. for a dir.: basic obligations and general principles on the safety of nuclear installations	OJ C 311/20.12.2003 COM(2003) 32	OJ C 133/6.6.2003 Bull. 3-2003/1.4.37			
653	Prop. for a dir.: management of spent nuclear fuel and radioactive waste	OJ C 311/20.12.2003 COM(2003) 32	OJ C 133/6.6.2003 Bull. 3-2003/1.4.37			
<i>Radiation protection</i>						
656	Dir. 2003/122/Euratom on the control of high-activity sealed radioactive sources	OJ C 311/20.12.2003 COM(2003) 18 Bull. 1/2-2003/1.4.51		Bull. 11-2003/1.4.66	OJ L 346/31.12.2003 Bull. 12-2003/1.4.57	
<b>Transport</b>						
<i>Galileo satellite radionavigation programme</i>						
667	Prop. for a reg.: structures for the management of the European satellite radionavigation programme	COM(2003) 471 Bull. 7/8-2003/1.4.35				

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
<b>Health and consumer protection</b>							
<i>Food safety, animal health and welfare, and plant health</i>							
720	Dec. 2003/912/EC amending Dec. 95/408/EC on the conditions for drawing up, for an interim period, provisional lists of third-country establishments from which Member States are authorised to import certain products of animal origin (fishery products or live bivalve molluscs)	COM(2003) 652 Bull. 11-2003/1.4.86				OJ L 345/31.12.2003 Bull. 12-2003/1.4.94	Amended dec.: OJ L 243/11.10.1995
721	Dec. 2003/822/EC: accession of the European Community to the Codex Alimentarius Commission	OJ C 270 E/25.9.2001 COM(2001) 287 Bull. 5-2001/1.4.68		OJ C 177 E/25.7.2002 Bull. 12-2001/1.4.78		OJ L 309/26.11.2003 Bull. 11-2003/1.4.85	
722	Reg. (EC) No 1040/2003 amending Reg. (EC) No 1255/97: use of staging points	OJ C 291 E/26.11.2002 COM(2002) 414 Bull. 7/8-2002/1.4.64				OJ L 151/19.6.2003 Bull. 6-2003/1.4.92	Amended reg.: OJ L 174/2.7.1997
722	Dir. 2003/85/EC: Community measures for the control of foot-and-mouth disease and amending Dir. 92/46/EEC	COM(2002) 736 Bull. 12-2002/1.4.94	OJ C 208/3.9.2003 Bull. 5-2003/1.4.64 OJ C 256/24.10.2003 Bull. 7/8-2003/1.4.68 <sup>o</sup>	Bull. 5-2003/1.4.64		Bull. 6-2003/1.4.93* OJ L 306/22.11.2003 Bull. 9-2003/1.4.53	Amended dir.: OJ L 268/14.9.1992
723	Dir. 2003/43/EC amending Dir. 88/407/EEC: animal health requirements applicable to intra-Community trade in and imports of semen of domestic animals of the bovine species	OJ C 20 E/28.1.2003 COM(2002) 527 Bull. 9-2002/1.4.67	OJ C 85/8.4.2003 Bull. 12-2002/1.4.96	Bull. 4-2003/1.4.54		OJ L 143/11.6.2003 Bull. 5-2003/1.4.66	Amended dir.: OJ L 194/22.7.1988
723	Dir. 2003/50/EC amending Dir. 91/68/EEC: reinforcement of controls on movements of ovine and caprine animals	OJ C 331 E/31.12.2002 COM(2002) 504 Bull. 9-2002/1.4.66	OJ C 85/8.4.2003	Bull. 12-2002/1.4.92		OJ L 169/8.7.2003 Bull. 6-2003/1.4.96	Amended dir.: OJ L 46/19.2.1991
723	Prop. for a dir.: animal health rules for certain live ungulate animals and amending Dir. 90/426/EEC and 92/65/EEC	COM(2003) 570 Bull. 10-2003/1.4.73					Dirs to be amended: 90/426/EEC (OJ L 224/18.8.1990) and 92/65/EEC (OJ L 268/14.9.1992)
723	Reg. (EC) No 21/2004: system for the identification and registration of ovine and caprine animals and amending Reg. (EC) No 1782/2003 and Dirs 92/102/EEC and 64/432/EEC	COM(2002) 729 Bull. 12-2002/1.4.93	OJ C 208/3.9.2003 Bull. 5-2003/1.4.65	Bull. 11-2003/1.4.87		OJ L 5/9.1.2004 Bull. 12-2003/1.4.93	Amended reg.: OJ L 270/21.10.2003 Amended dirs: 92/102/EEC (OJ L 355/5.12.1992) and 64/432/EEC (OJ L 121/29.7.1964)
724	Prop. for a reg.: protection of animals during transport and related operations (amending Dirs 64/432/EEC and 93/119/EC)	COM(2003) 425 Bull. 7/8-2003/1.4.69					Dirs to be amended: 64/432/EEC (OJ L 121/29.7.1964) and 93/119/EC (OJ L 340/31.12.1993)

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
725	Prop. for a dec. concerning the EC position on a prop. for a recomm. concerning pigs, to be adopted within the meeting of the Standing Committee of the European Convention for the protection of animals kept for farming purposes (Strasbourg, 2004)	COM(2003) 775 Bull. 12-2003/1.4.95					
726	Prop. for a reg. amending Reg. (EC) No 2100/94 on Community plant variety rights	COM(2003) 456 Bull. 11-2003/1.4.88					Reg. to be amended: OJ L 227/1.9.1994
727	Dec. 2003/403/EC amending Dec. 2003/17/EC (equivalence of field inspections carried out in third countries on seed producing crops and on the equivalence of seed produced in third countries)	COM(2003) 153 Bull. 4-2003/1.4.56				OJ L 141/7.6.2003 Bull. 5-2003/1.4.68	Amended dec.: OJ L 8/14.1.2003
727	Dir. 2003/61/EC amending, as regards Community comparative tests and trials, Dirs 66/401/EEC, 66/402/EEC, 68/193/EEC, 92/33/EEC, 92/34/EEC, 98/56/EC, 2002/54/EC, 2002/55/EC, 2002/56/EC and 2002/57/EC (marketing of seed)	OJ C 20 E/28.1.2003 COM(2002) 523 Bull. 9-2002/1.4.69	OJ C 85/8.4.2003 Bull. 12-2002/1.4.99	Bull. 4-2003/1.4.55		OJ L 165/3.7.2003 Bull. 6-2003/1.4.98	Amended dirs: 66/401/EEC and 66/402/EEC (OJ 125/11.7.1966), 68/193/EEC (OJ L 93/17.4.1968), 92/33/EEC and 92/34/EEC (OJ L 157/10.6.1992), 98/56/EC (OJ L 226/13.8.1998), 2002/54/EC, 2002/55/EC, 2002/56/EC and 2002/57/EC (OJ L 193/20.7.2002)

### *Public health*

737	Recomm. 2003/878/EC on cancer screening	COM(2003) 230 Bull. 5-2003/1.4.69		Bull. 11-2003/1.4.91		OJ L 327/16.12.2003 Bull. 12-2003/1.4.105	
740	Recomm. 2003/488/EC: prevention and reduction of risks associated with drug dependence	COM(2002) 201 Bull. 5-2002/1.4.79	OJ C 61/14.3.2003 Bull. 10-2002/1.4.70 OJ C 73/26.3.2003 Bull. 11-2002/1.4.94 <sup>o</sup>	Bull. 1/2-2003/1.4.85		OJ L 165/3.7.2003 Bull. 6-2003/1.4.105	

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

### **Development cooperation**

#### *Cooperation with NGOs and decentralised cooperation*

844	Dec. 2003/911/EC: Community action programme for bodies promoting reciprocal understanding of relations between the European Union and certain non-industrialised regions in the world	COM(2003) 280 Bull. 5-2003/1.6.48		Bull. 11-2003/1.6.40		OJ L 342/30.12.2003 Bull. 12-2003/1.6.73	
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	<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
<b>European Economic Area, relations with countries of the European Free Trade Association (EFTA)</b>						
<i>Relations with EFTA countries</i>						
859	Dec.: Community position regarding the rules of procedure of the EC–Switzerland Joint Committee on certain aspects of government procurement	COM(2003) 56 Bull. 1/2-2003/1.3.85			Bull. 4-2003/1.3.17	
859	Dec. No 2/2003 of the EC–Switzerland Joint Committee on the free movement of persons (amendment of Annex II to the agreement — Social security)	COM(2003) 55 Bull. 1/2-2003/1.6.98			8.4.2003	
859	Prop. for a dec.: Community position on the amendment of Appendices 1, 2 and 6 to Annex 11 to the EC–Swiss Agreement on trade in agricultural products	COM(2003) 540 Bull. 9-2003/1.6.73				
<b>Relations with the western Balkans</b>						
<i>General</i>						
865	Reg. (EC) No 2098/2003 amending Reg. (EC) No 1080/2000: support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR)	COM(2003) 389 Bull. 7/8-2003/1.6.91		Bull. 11-2003/1.6.48	OJ L 316/29.11.2003 Bull. 11-2003/1.6.48	Amended reg.: OJ L 122/24.5.2000
<i>Stabilisation and association agreements and prospects for accession</i>						
869	Prop. for a reg. on the establishment of European partnerships in the framework of the stabilisation and association process	COM(2003) 684 Bull. 11-2003/1.6.51				
869	Prop. for a reg. amending Regs (EEC) No 3906/89, (EC) No 555/2000, (EC) No 2500/2001, (EC) No 1268/1999 and (EC) No 1267/1999: stabilisation and association process countries (pre-accession Community assistance)	COM(2003) 793 Bull. 12-2003/1.6.86				Regs to be amended: (EEC) No 3906/89 (OJ L 375/23.12.1989), (EC) No 555/2000 (OJ L 68/16.3.2000), (EC) No 2500/2001 (OJ L 342/27.12.2001) and (EC) No 1268/1999 and (EC) No 1267/1999 (OJ L 161/26.6.1999)

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
870	Prop. for a reg.: exceptional trade measures for countries and territories participating in or linked to the stabilisation and association process (codified version)	COM(2003) 537 Bull. 9-2003/1.6.75					

#### *Technical and financial assistance*

871	Prop. for a dec. providing macro-financial assistance to Albania and repealing Dec. 1999/282/EC	COM(2003) 834 Bull. 12-2003/1.6.87					Dec. to be repealed: OJ L 110/28.4.1999
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#### **Relations with the southern Mediterranean and the Middle East**

##### *Maghreb*

889	Prop. for a reg. repealing Reg. (EC) No 3274/93 preventing the supply of certain goods and services to Libya	COM(2003) 581 Bull. 10-2003/1.6.59					Reg. to be repealed: OJ L 295/30.11.1993
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##### *Middle East*

892	Prop. for a dec. on an EC position in the Association Council on the implementation of Article 73 of the Euro-Mediterranean Agreement establishing an association between the EC and their Member States and Israel	COM(2003) 693 Bull. 11-2003/1.6.67					
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##### *Middle Eastern countries*

900	Reg. (EC) No 1210/2003: specific restrictions on economic and financial relations with Iraq	COM(2003) 357 Bull. 6-2003/1.6.86				OJ L 169/8.7.2003 Bull. 7/8-2003/1.6.110	
900	Reg. (EC) No 1799/2003 amending Reg. (EC) No 1210/2003: specific restrictions on economic and financial relations with Iraq	COM(2003) 584 Bull. 10-2003/1.6.66				OJ L 264/15.10.2003 Bull. 10-2003/1.6.66	Amended reg.: OJ L 169/8.7.2003
900	Prop. for a reg. amending Reg. (EC) No 2465/96: interruption of economic and financial relations between the European Community and Iraq	COM(2003) 214 Bull. 4-2003/1.6.60					Reg. to be amended: OJ L 337/27.12.1996

	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP opinion	Amended Commission proposal	Adoption by Council*	Observations
<b>Relations with Asia</b>						
<i>Bilateral relations</i>						
944	Reg. (EC) No 561/2003: amending, for the 10th time, Reg. (EC) No 881/2002 concerning specific restrictive measures directed against certain persons and entities associated with Osama bin Laden, the Al-Qaeda network and the Taliban	COM(2003) 41 Bull. 1/2-2003/1.6.145		Bull. 3-2003/1.6.85	OJ L 82/29.3.2003 Bull. 3-2003/1.6.85	Amended reg.: OJ L 139/29.5.2002
<b>Financing of Community activities, resource management, protection of the Communities' financial interests</b>						
<b>Budgets</b>						
<i>General budget</i>						
1034	Prop. for a reg. amending Reg. (EC, Euratom) No 1150/2000 implementing Dec. 2000/597/EC, Euratom, on the system of the Communities' own resources	COM(2003) 366 Bull. 7/8-2003/1.7.9				Reg. to be amended: (EC, Euratom) No 1150/2000 (OJ L 130/31.5.2000)
<i>Financial regulation</i>						
1052	Reg. (EC) No 1645/2003 amending Reg. (EC) No 2965/94: budgetary and financial rules applicable to the Translation Centre for the bodies of the European Union and access to the Centre's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12	OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 314/7.12.1994
1052	Reg. (EC) No 1646/2003 amending Reg. (EC) No 2667/2000: budgetary and financial rules applicable to the European Agency for Reconstruction and access to the Agency's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12	OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 306/7.12.2000
1052	Reg. (EC) No 1647/2003 amending Reg. (EC) No 2309/93: budgetary and financial rules applicable to the European Agency for the Evaluation of Medicinal Products and access to the Agency's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12	OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 214/24.8.1993
1052	Reg. (EC) No 1648/2003 amending Reg. (EEC) No 1360/90: budgetary and financial rules applicable to the European Training Foundation and access to the Foundation's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12	OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 131/23.5.1990

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

		<b>Commission proposal</b>	<b>EESC opinion/ CoR opinion<sup>o</sup></b>	<b>EP opinion</b>	<b>Amended Commission proposal</b>	<b>Adoption by Council*</b>	<b>Observations</b>
1052	Reg. (EC) No 1649/2003 amending Reg. (EEC) No 1365/75: budgetary and financial rules applicable to the European Foundation for the Improvement of Living and Working Conditions and access to the Foundation's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 139/30.5.1975
1052	Reg. (EC) No 1650/2003 amending Reg. (EC) No 2100/94: internal audit and control systems applicable to the Community Plant Variety Office and access to the Office's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 227/1.9.1994
1052	Reg. (EC) No 1651/2003 amending Reg. (EEC) No 302/93: internal audit and control systems applicable to the European Monitoring Centre for Drugs and Drug Addiction and access to the Centre's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 36/12.2.1993
1052	Reg. (EC) No 1652/2003 amending Reg. (EC) No 1035/97: internal audit and control systems applicable to the European Monitoring Centre on Racism and Xenophobia and access to the Centre's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 151/10.6.1997
1052	Reg. (EC) No 1653/2003 amending Reg. (EC) No 40/94: internal audit and control systems applicable to the Office for Harmonisation in the Internal Market and access to the Office's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 11/14.1.1994
1052	Reg. (EC) No 1654/2003 amending Reg. (EC) No 2062/94: internal audit and control systems applicable to the European Agency for Safety and Health at Work and access to the Agency's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 216/20.8.1994
1052	Reg. (EC) No 1655/2003 amending Reg. (EEC) No 337/75: budgetary and financial rules applicable to the European Centre for the Development of Vocational Training and access to the Centre's documents	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended reg.: OJ L 39/13.2.1975
1052	Dec. 2003/659/JHA amending Dec. 2002/187/JHA: setting up Eurojust with a view to reinforcing the fight against serious crime	OJ C 331 E/31.12.2002 COM(2002) 406 Bull. 7/8-2002/1.7.8		Bull. 3-2003/1.7.12		OJ L 245/29.9.2003 Bull. 6-2003/1.7.7	Amended dec.: OJ L 63/6.3.2002
1054	Prop. for a dec. amending Dec. 2002/668/Euratom for amending the financial reference amount in order to take account of enlargement of the European Union	COM(2003) 778					Dec. to be modified: OJ L 232/29.8.2002

### Protection of the Communities' financial interests and the fight against fraud

1062	Dec. 2003/861/EC: analysis and cooperation with regard to counterfeit euro coins	COM(2003) 426 Bull. 7/8-2003/1.3.8		Bull. 11-2003/1.3.1		OJ L 325/12.12.2003 Bull. 12-2003/1.3.2	
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	Commission proposal	EESC opinion/ CoR opinion <sup>o</sup>	EP opinion	Amended Commission proposal	Adoption by Council*	Observations
<b>General budget guarantee for borrowing and lending operations</b>						
1066	Prop. for a reg. amending Reg. (EC, Euratom) No 2728/94 establishing a Guarantee Fund for external actions	COM(2003) 604 Bull. 10-2003/1.7.6				Reg. to be amended: OJ L 293/12.11.1994
<b>Institutions and other bodies</b>						
<b>Administration and management of the institutions and other bodies</b>						
<i>Human resources and Staff Regulations</i>						
1132	Prop. for a reg.: Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities	OJ C 291 E/26.11.2002 COM(2002) 213 Bull. 4-2002/1.9.8		Bull. 6-2003/1.9.11	COM(2003) 721 Bull. 11-2003/1.9.15	Bull. 9-2003/1.9.8*
<b>Information and communication</b>						
<b>Historical archives</b>						
1170	Reg. (EC, Euratom) No 1700/2003 amending Reg. (EEC, Euratom) No 354/83: opening to the public of the historical archives of the EEC and the European Atomic Energy Community	OJ C 331 E/31.12.2002 COM(2002) 462	11.3.2003	COM(2003) 244	21.7.2003* OJ L 243/27.9.2003 Bull. 9-2003/1.1.6	Amended reg.: OJ L 43/15.2.1983

<sup>o</sup> Opinion of the Committee of the Regions.

\* Council agreement.

Table III

International agreements				
	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
<b>Enlargement</b>				
<b>Pre-accession strategy</b>				
<i>European association agreements and other agreements</i>				
55	Additional protocol to the EC–Malta agreement on mutual administrative assistance in the customs field			5.3.2003
58	Additional protocol to the EC–Slovenia agreement on conformity assessment and the acceptance of industrial products	21.9.1992	10.9.2000	Bull. 11-2002/1.5.17
58	Draft additional protocol to the EC–Estonia agreement on conformity assessment and acceptance of industrial products	21.9.1992	19.7.2002	6.3.2003
58	Additional protocol to the EC–Slovakia agreement on conformity assessment and the acceptance of industrial products	Bull. 1/2-2003/1.5.9	30.7.2002	26.2.2003
58	Agreement amending the protocol to the EC–Hungary association agreement on conformity assessment and acceptance of industrial products	21.9.1992	11.12.2002	Bull. 7/8-2003/1.5.7
58	Agreement amending the protocol to the EC–Czech Republic association agreement on conformity assessment and acceptance of industrial products	21.9.1992	20.11.2002	Bull. 7/8-2003/1.5.11
58	Draft EC–Malta agreement on conformity assessment and acceptance of industrial products (ACAA)	21.9.1992		19.12.2003
59	Protocol for adaptation of the trade aspects of the EC–Estonia association agreement	30.3.1999		12.6.2003
59	Protocol for the adaptation of the trade aspects of the EC–Hungary European association agreement	30.3.1999		4.4.2003
59	Additional protocol for adaptation of the trade aspects of the Europe agreement establishing an EC–Poland association	30.3.1999		31.3.2003
59	Protocol for adaptation of the trade aspects of the EC–Bulgaria European association agreement	30.3.1999		14.4.2003
59	Protocol for adaptation of the trade aspects of the EC–Czech Republic Europe agreement	30.3.1999		23.4.2003
59	Protocol for adaptation of the trade aspects of the EC–Slovakia European association agreement	30.3.1999		24.4.2003
59	Protocol for adaptation of the trade aspects of the EC–Slovenia European association agreement	30.3.1999		27.5.2003

° Opinion of the Committee of the Regions.

\* Agreement requiring Parliament's assent.

Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision)/ conclusion	Observations	
OJ C 45 E/25.2.2003 COM(2002) 509 Bull. 10-2002/1.5.11			OJ L 115/9.5.2003 Bull. 1/2-2003/1.5.6	Entry into force: 1.5.2003	55
OJ C 291 E/26.11.2002 COM(2002) 432 Bull. 7/8-2002/1.5.8			OJ L 36/12.2.2003 Bull. 1/2-2003/1.5.10	Proposal signature: OJ C 291 E/26.11.2002 COM(2002) 432 Bull. 7/8-2002/1.5.8 Council decision concerning the signature: Bull. 11-2002/1.5.17	58
OJ C 45 E/25.2.2003 COM(2002) 608 Bull. 11-2002/1.5.13			OJ L 120/15.5.2003 Bull. 4-2003/1.5.11	Proposal signature: OJ C 45 E/25.2.2003 COM(2002) 608 Bull. 11-2002/1.5.13 Council decision concerning the signature: Bull. 1/2-2003/1.5.5 Entry into force: OJ L 185/24.7.2003	58
OJ C 45 E/25.2.2003 COM(2002) 588 Bull. 10-2002/1.5.12			OJ L 120/15.5.2003 Bull. 4-2003/1.5.18	Proposal signature: OJ C 45 E/25.2.2003 COM(2002) 588 Bull. 10-2002/1.5.12 Council decision concerning the signature: 6.2.2003 Entry into force: OJ L 154/21.6.2003	58
COM(2003) 196 Bull. 4-2003/1.5.13			OJ L 256/9.10.2003 Bull. 9-2003/1.5.6	Proposal signature: COM(2003) 196 Bull. 4-2003/1.5.13 Council decision concerning the signature: Bull. 6-2003/1.5.12 Entry into force: OJ L 268/18.10.2003	58
COM(2003) 194 Bull. 4-2003/1.5.17			OJ L 256/9.10.2003 Bull. 9-2003/1.5.10	Proposal signature: COM(2003) 194 Bull. 4-2003/1.5.17 Council decision concerning the signature: Bull. 6-2003/1.5.13	58
COM(2003) 182 Bull. 4-2003/1.5.15				Proposal signature: COM(2003) 182 Bull. 4-2003/1.5.15 Council decision concerning the signature: Bull. 7/8-2003/1.5.8	58
OJ C 45 E/25.2.2003 COM(2002) 572 Bull. 10-2002/1.5.10			OJ L 156/25.6.2003 Bull. 3-2003/1.5.8	Entry into force: 1.7.2003	59
COM(2002) 707 Bull. 12-2002/1.5.10			OJ L 102/24.4.2003 Bull. 3-2003/1.5.9	Entry into force: OJ L 183/22.7.2003	59
OJ C 262 E/29.10.2002 COM(2002) 363 Bull. 7/8-2002/1.5.7 COM(2003) 72 Bull. 1/2-2003/1.5.8			OJ L 97/15.4.2003 Bull. 3-2003/1.5.10	Proposal signature: COM(2003) 72 Bull. 1/2-2003/1.5.8 Council decision concerning the signature: OJ L 97/15.4.2003 Bull. 3-2003/1.5.10 Entry into force: 1.4.2003	59
COM(2002) 749 Bull. 12-2002/1.5.9			OJ L 102/24.4.2003 Bull. 4-2003/1.5.10	Entry into force: OJ L 154/21.6.2003	59
OJ C 45 E/25.2.2003 COM(2002) 657 Bull. 11-2002/1.5.15			OJ L 107/30.4.2003 Bull. 4-2003/1.5.16	Entry into force: 1.5.2003	59
COM(2002) 708 Bull. 12-2002/1.5.14			OJ L 107/30.4.2003 Bull. 4-2003/1.5.19	Entry into force: 1.5.2003	59
OJ C 71 E/25.3.2003 COM(2002) 607 Bull. 11-2002/1.5.16			OJ L 152/20.6.2003 Bull. 5-2003/1.5.14		59

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
59	Draft protocol for the adaptation of the trade aspects of the EC–Latvia Europe agreement	30.3.1999		
61	Draft additional protocol to the EC–Romania association agreement on the conditions applicable to trade in certain fish and fishery products	29.5.2000	12.9.2001	

## The Community economic and social area

### Competition policy

#### International cooperation

281	EC–Japan agreement on cooperation on anticompetitive activities	8.6.2000		Bull. 7/8-2003/1.3.88
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### Enterprise

#### Competitiveness and enterprise policy

293	Draft bilateral agreements between the EC and Estonia, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia and Slovenia in the field of technical regulations and rules on information society services	Bull. 10-2002/1.5.8		
293	Draft bilateral agreements between the EC and Cyprus and Hungary in the field of technical regulations and rules on information society services	21.10.2002		11.12.2003
293	Convention 180 on information and legal cooperation on information society services			

### Research and technology policy

#### Community RTD policy

329	Draft framework agreement between the EC and the European Space Agency (ESA)	28.1.2002	Bull. 5-2002/1.3.70	Bull. 11-2003/1.3.65
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#### International cooperation

373	Agreement on scientific and technical cooperation between the EC and Switzerland	20.2.2003	5.9.2003	
376	Agreement on scientific and technical cooperation between the EC and Morocco	14.4.2003	24.4.2003	Bull. 6-2003/1.3.73
376	Agreement on scientific and technical cooperation between the EC and Tunisia	14.4.2003	24.4.2003	26.6.2003
376	Agreement on scientific and technical cooperation between the EC and Israel	Bull. 11-2002/1.3.69	17.12.2002	10.6.2003
376	Agreement on scientific and technical cooperation between the EC and Chile	Bull. 7/8-2001/1.3.98	26.10.2001	23.9.2002

° Opinion of the Committee of the Regions.

\* Agreement requiring Parliament's assent.

Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision/ conclusion)	Observations	
OJ C 45 E/25.2.2003 COM(2002) 643 Bull. 11-2002/1.5.14			Bull. 9-2003/1.5.7		59
COM(2003) 146 Bull. 3-2003/1.5.11					61
COM(2002) 230 Bull. 5-2002/1.3.64		OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.3.79	OJ L 183/22.7.2003	Entry into force: 9.8.2003	281
COM(2003) 203 Bull. 4-2003/1.3.41			Bull. 9-2003/1.3.51		293
COM(2003) 404 Bull. 7/8-2003/1.3.106			Bull. 11-2003/1.3.61		293
COM(2003) 398 Bull. 7/8-2003/1.3.47			17.11.2003		293
				Council decision concerning the signature: Bull. 10-2003/1.3.77 Council agreement: Bull. 9-2003/1.3.54	329
				Proposal signature: COM(2003) 656 Bull. 11-2003/1.3.71 Council decision concerning the signature: Bull. 12-2003/1.3.106	373
COM(2003) 551 Bull. 9-2003/1.3.57		Bull. 12-2003/1.3.105	Bull. 12-2003/1.3.105	Proposal signature: COM(2003) 288 Bull. 5-2003/1.3.78 Council decision concerning the signature: Bull. 6-2003/1.3.73	376
COM(2003) 549 Bull. 9-2003/1.3.58		Bull. 12-2003/1.3.107	Bull. 12-2003/1.3.107	Proposal signature: COM(2003) 303 Bull. 5-2003/1.3.81 Council decision concerning the signature: Bull. 6-2003/1.3.75	376
COM(2003) 568 Bull. 9-2003/1.3.56				Proposal signature: COM(2003) 150 Bull. 3-2003/1.3.82 Council decision concerning the signature: OJ L 154/21.6.2003 Bull. 5-2003/1.3.77	376
COM(2003) 82 Bull. 1/2-2003/1.3.132		Bull. 6-2003/1.3.71	OJ L 199/7.8.2003 Bull. 7/8-2003/1.3.110	Proposal signature: OJ C 181 E/30.7.2002 COM(2002) 151 Bull. 3-2002/1.3.66 Council decision concerning the signature: Bull. 5-2002/1.3.74	376

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
377	Agreement aimed at renewing the agreement on scientific and technical cooperation between the EC and Russia			6.11.2003
377	Agreement aimed at renewing the agreement on scientific and technical cooperation between the EC and Ukraine			7.10.2003
378	Draft agreement on scientific and technical cooperation between the EC and Japan	Bull. 6-2003/1.3.72		
378	Proposal for an agreement aimed at renewing the agreement for scientific and technological cooperation between the EC and the United States			

## Agriculture and rural development

### International cooperation

475	Agreement on reciprocal liberalisation measures and amendment of the agricultural protocols 1 and 3 to the EC/Morocco association agreement			
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## Fisheries

### Resource conservation and management

488	Proposal for extending to the period 1 July 2003 to 30 June 2004 the validity of the protocol setting fishing opportunities and a financial contribution as provided for in the agreement between the European Economic Community and the Republic of Côte d'Ivoire		16.5.2003	
488	Agreement on the extension of the protocol setting out the fishing opportunities and the financial contribution provided for in the EEC–Guinea agreement (1.1.2003–3.12.2003)			
488	Proposal for the conclusion of the protocol defining for the period 1 January 2004 to 31 December 2008 the fishing opportunities and the financial contribution provided for in the agreement between the European Economic Community and the Government of the Republic of Guinea		27.6.2003	
488	Proposal for the conclusion of the protocol defining for the period 1 January 2004 to 31 December 2008 the fishing opportunities and the financial contribution provided for in the agreement between the EC and the Republic of Guinea		27.6.2003	
488	Draft EC–Kiribati agreement on fishing off the coast of Kiribati		Bull. 7/8-2002/1.3.116	
488	Draft EEC–Mauritius agreement concerning the extension of the protocol setting out the fishing opportunities and financial contribution (3.12.2002–2.12.2003)		21.11.2002	
488	Draft fisheries agreement between the EC and Mozambique	1.6.1996	21.10.2002	23.12.2003

## Citizenship and quality of life

### Area of freedom, security and justice

#### Policy on visas, crossing of borders and internal movement

504	Agreement between the EC and Macao (Special Administrative Region of the People's Republic of China) on the readmission of persons residing without authorisation	28.5.2001	18.10.2002	13.10.2003
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° Opinion of the Committee of the Regions.

\* Agreement requiring Parliament's assent.

Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision/ conclusion)	Observations	
COM(2003) 95 Bull. 1/2-2003/1.3.135		Bull. 5-2003/1.3.80	OJ L 299/18.11.2003 Bull. 6-2003/1.3.74		377
COM(2003) 231 Bull. 5-2003/1.3.82		Bull. 7/8-2003/1.3.112	OJ L 267/17.10.2003 Bull. 9-2003/1.3.59		377
COM(2003) 569 Bull. 10-2003/1.3.80		Bull. 12-2003/1.3.104			378
COM(2003) 754 Bull. 12-2003/1.3.141			OJ L 345/31.12.2003 Bull. 12-2003/1.3.141		475
COM(2003) 556 Bull. 9-2003/1.3.86				Proposal signature: COM(2003) 557 Bull. 9-2003/1.3.86 Council decision concerning the signature: OJ L 319/4.12.2003 Bull. 11-2003/1.3.110	488
COM(2003) 107 Bull. 3-2003/1.3.103		Bull. 9-2003/1.3.88	OJ L 256/9.10.2003 Bull. 9-2003/1.3.88	Proposal signature: COM(2003) 108 Bull. 3-2003/1.3.103 Council decision concerning the signature: OJ L 133/29.5.2003 Bull. 5-2003/1.3.109	488
COM(2003) 765 Bull. 12-2003/1.3.153					488
COM(2003) 766 Bull. 12-2003/1.3.153					488
COM(2002) 692 Bull. 12-2002/1.3.125		Bull. 4-2003/1.3.77	OJ L 126/22.5.2003 Bull. 5-2003/1.3.110	Entry into force: OJ L 258/10.10.2003	488
COM(2003) 202 Bull. 5-2003/1.3.111		Bull. 9-2003/1.3.89	OJ L 275/25.10.2003 Bull. 10-2003/1.3.125	Proposal signature: COM(2003) 204 Bull. 5-2003/1.3.111 Council decision concerning the signature: OJ L 147/14.6.2003 Bull. 6-2003/1.3.102	488
COM(2003) 419 Bull. 7/8-2003/1.3.157		Bull. 12-2003/1.3.155	OJ L 345/31.12.2003 Bull. 12-2003/1.3.155	Entry into force: 23.12.2003	488
COM(2003) 151 Bull. 3-2003/1.4.7				Proposal signature: COM(2003) 151 Bull. 3-2003/1.4.7 Council decision concerning the signature: Bull. 10-2003/1.4.5	504

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
504	Draft agreement between the EC and the Special Administrative Region of the People's Republic of China on the readmission of persons residing without authorisation	28.5.2001		Bull. 11-2002/1.4.4
504	Draft agreement between the EC and Sri Lanka on the readmission of persons residing without authorisation	8.9.2000	30.5.2002	
<i>Judicial cooperation in civil and commercial matters</i>				
516	Draft agreements between the EC and Denmark extending the provisions of the regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters	Bull. 5-2003/1.4.7		
517	Draft agreement on civil liability for transboundary damage in connection with the protection of watercourses and lakes and the effects of industrial accidents	Bull. 1/2-2003/1.4.19		
<i>Judicial cooperation in criminal matters</i>				
526	United Nations Convention against Corruption	23.9.2002		
<i>Police and customs cooperation</i>				
533	Agreement between the EU and the United States on extradition and mutual assistance in criminal matters	26.2.2002		25.6.2003
533	Draft agreement between Russia and Europol on the cooperation in the fight against serious forms of transnational crime	27.3.2000		
533	Draft agreement on cooperation between Europol and Columbia	Bull. 11-2003/1.4.21		
533	Draft agreement on cooperation between Europol and Romania	Bull. 11-2003/1.4.18		
<b>Environment</b>				
<i>Protection of nature and biodiversity, forests</i>				
598	Draft protocol to the Barcelona Convention concerning cooperation in preventing pollution from ships and in combating pollution of the Mediterranean Sea by oil and noxious substances			25.1.2002
<i>Environment and health</i>				
605	Protocol of amendment to the European Convention for the protection of vertebrate animals used for experimental and other scientific purposes			
608	Draft Stockholm Convention on Persistent Organic Pollutants			
611	Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution for the abatement of acidification, eutrophication and ground-level ozone			
<i>International dimension</i>				
621	Protocol on strategic environmental assessment to the Espoo Convention on environmental impact assessment in a transboundary context	Bull. 5-2001/1.4.48	Bull. 9-2001/1.4.39	21.5.2003

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Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision)/ conclusion	Observations	
SEC(2002) 412 Bull. 4-2002/1.6.76		Bull. 12-2002/1.4.5	Bull. 12-2003/1.4.14	Proposal signature: Bull. 4-2002/1.6.76	504
SEC(2003) 255				Proposal signature: 21.3.2003 Council decision concerning the signature: Bull. 11-2003/1.4.14	504
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				Proposal signature: COM(2003) 751	526
				Council decision concerning the signature: OJ L 181/19.7.2003 Bull. 6-2003/1.4.28	533
				Council agreement: Bull. 10-2003/1.4.11	533
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Bull. 10-2003/1.4.29				Proposal signature: COM(2002) 11 Bull. 1/2-2002/1.4.51 Council decision concerning the signature: Bull. 1/2-2002/1.4.51	598
OJ C 25 E/29.1.2002 COM(2001) 704 Bull. 11-2001/1.4.51		OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.61	OJ L 198/6.8.2003 Bull. 7/8-2003/1.4.70		605
COM(2003) 331 Bull. 6-2003/1.4.53	Bull. 10-2003/1.4.38	Bull. 11-2003/1.4.63			608
OJ C 151 E/25.6.2002 COM(2002) 44 Bull. 1/2-2002/1.4.65		OJ C 271 E/12.11.2003 Bull. 7/8-2002/1.4.28	OJ L 179/17.7.2003 Bull. 6-2003/1.4.54		611
				Proposal signature: COM(2003) 221 Bull. 4-2003/1.4.29 Council decision concerning the signature: Bull. 5-2003/1.4.44	621

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
622	Draft protocol on civil liability and compensation for damage caused by the transboundary effects of industrial accidents on transboundary waters			
<i>Strategic approaches and instruments</i>				
629	Draft UNECE protocol on pollutant release and transfer registers	Bull. 1/2-2003/1.4.53		
629	Draft convention: information from and participation by the public in environmental matters	Bull. 12-1997/1.2.196		Bull. 6-1998/1.3.149
<b>Energy</b>				
<i>International cooperation</i>				
660	Euratom–Russia agreement on a multilateral nuclear environmental programme in Russia and its protocol on legal aspects			
660	Draft cooperation agreement between Euratom and Uzbekistan on the peaceful uses of nuclear energy	26.6.2000	29.1.2002	
661	Draft EC–United States agreement on coordinating energy efficiency labelling programmes for office equipment	14.2.1996	27.9.1996	
662	Draft cooperation agreement between Euratom and China on the peaceful uses of nuclear energy	Bull. 6-2003/1.4.64		
<b>Transport</b>				
<i>Inland transport</i>				
671	Draft agreement on Community accession to the Convention concerning International Carriage by Rail (COTIF) amended by the protocol of Vilnius	28.3.2003		
677	Agreement between the EC and the Former Yugoslav Republic of Macedonia concerning the system of ecopoints to be applied to transit traffic through Austria		25.1.2001	21.10.2002
677	Draft agreement between the EC and Croatia concerning the system of ecopoints to be applied to transit traffic through Austria		15.11.2002	
677	Agreement between the EC and Croatia concerning the transitional points system applicable to heavy goods vehicles travelling through Austria			
677	Agreement between the EC and Slovenia concerning the transitional points system applicable to heavy goods vehicles travelling through Austria			
677	Agreement between the European Community and Switzerland concerning the transitional points system applicable to heavy goods vehicles travelling through Austria			

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Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision)/ conclusion	Observations	
				Proposal signature: COM(2003) 263 Bull. 5-2003/1.4.43	622
				Proposal signature: COM(2003) 209 Bull. 4-2003/1.4.31 Council decision concerning the signature: Bull. 5-2003/1.4.45	629
COM(2003) 625 Bull. 10-2003/1.4.44				Conclusions of the Council: OJ L 159/3.6.1998 Bull. 6-1998/1.3.149 Recommendation for signature: Bull. 11-1996/1.3.147 Proposal signature: COM(1998) 344 Bull. 6-1998/1.3.149	629
COM(2003) 255 Bull. 5-2003/1.4.50				Proposal signature: COM(2003) 255 Bull. 5-2003/1.4.50 Council decision concerning the signature: OJ L 155/24.6.2003 Bull. 5-2003/1.4.50	660
SEC(2002) 496 Bull. 3-2003/1.4.34			OJ L 269/21.10.2003 Bull. 9-2003/1.4.30		660
OJ C 274 E/28.9.1999 COM(1999) 328 Bull. 7/8-1999/1.3.109		OJ C 276/1.10.2001 Bull. 1/2-2001/1.4.54	OJ L 99/17.4.2003 Bull. 4-2003/1.4.32		661
COM(2003) 696 Bull. 11-2003/1.4.73					671
OJ C 20 E/28.1.2003 COM(2002) 418 Bull. 7/8-2002/1.4.44		Bull. 10-2002/1.4.53	OJ L 101/23.4.2003 Bull. 4-2003/1.4.41	Proposal signature: OJ C 20 E/28.1.2003 COM(2002) 418 Bull. 7/8-2002/1.4.44 Council decision concerning the signature: OJ L 75/21.3.2003 Bull. 1/2-2003/1.4.66 Entry into force: 8.5.2003	677
COM(2003) 121 Bull. 3-2003/1.4.44		Bull. 5-2003/1.4.54	Bull. 10-2003/1.4.51	Proposal signature: COM(2003) 121 Bull. 3-2003/1.4.44 Council decision concerning the signature: OJ L 150/18.6.2003 Bull. 5-2003/1.4.54 Entry into force: 14.11.2003	677
COM(2003) 833 Bull. 12-2003/1.4.78				Proposal signature: COM(2003) 833	677
COM(2003) 835 Bull. 12-2003/1.4.78				Proposal signature: COM(2003) 835	677
COM(2003) 836 Bull. 12-2003/1.4.78				Proposal signature: COM(2003) 836	677

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
677	Agreement between the EC and the Former Yugoslav Republic of Macedonia concerning the transitional points system applicable to heavy goods vehicles travelling through Austria			
<i>Marine transport</i>				
689	Draft protocol to the Athens Convention relating to the carriage of passengers and their luggage by sea	8.10.2001		
692	EC–China agreement on maritime transport	Bull. 1/2-1998/1.3.192		6.12.2002
<i>Air transport</i>				
693	Draft agreements between the EC, the United States and third countries aimed at creating an 'open aviation area' to replace the 'open skies' agreements	Bull. 6-2003/1.4.79		
696	Protocol on the accession of the EC to the European Organisation for the Safety of Air Navigation (Eurocontrol)			Bull. 10-2002/1.4.54
<i>International cooperation</i>				
709	Convention on International Interests in Mobile Equipment (Cape Town Convention) and protocol on matters specific to aircraft equipment	29.10.2001		
<b>Health and consumer protection</b>				
<i>Food safety, animal health and welfare, and plant health</i>				
724	European Convention for the protection of animals during international transport			
729	International Treaty on Plant Genetic Resources for Food and Agriculture			6.6.2002
<i>Public health</i>				
732	Revision of the international health regulations under the framework of the World Health Organisation	Bull. 12-2003/1.4.98		
741	World Health Organisation framework convention on tobacco control	22.10.1999		16.6.2003
<b>Role of the European Union in the world</b>				
<b>Common commercial policy</b>				
<i>Operation of the customs union, customs cooperation and mutual assistance</i>				
788	EC–Monaco agreement on the application of certain Community acts to the territory of the Principality of Monaco			4.12.2003
789	Draft cooperation agreement with India on customs matters	Bull. 1/2-2003/1.6.46	Bull. 11-2003/1.6.89	

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Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision)/ conclusion	Observations	
COM(2003) 837 Bull. 12-2003/1.4.78				Proposal signature: COM(2003) 837	677
COM(2003) 375 Bull. 6-2003/1.4.78					689
OJ C 181 E/30.7.2002 COM(2002) 97 Bull. 1/2-2002/1.4.105		2.9.2003	Bull. 10-2002/1.4.59	Proposal signature: OJ C 181 E/30.7.2002 COM(2002) 97 Bull. 1/2-2002/1.4.105 Council decision concerning the signature: Bull. 10-2002/1.4.59	692
					693
COM(2003) 555 Bull. 9-2003/1.4.42				Proposal signature: OJ C 262 E/29.10.2002 COM(2002) 292 Bull. 6-2002/1.4.56 Council decision concerning the signature: 31.7.2002	696
Bull. 3-2003/1.4.59				Proposal signature: Bull. 3-2003/1.4.59	709
				Proposal signature: 29.10.2003	724
COM(2003) 602 Bull. 10-2003/1.4.75			17.11.2003	Proposal signature: COM(2002) 197 Bull. 4-2002/1.4.71 Council decision concerning the signature: Bull. 5-2002/1.4.77	729
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Bull. 5-2003/1.4.72				Proposal signature: Bull. 5-2003/1.4.72 Council decision concerning the signature: Bull. 6-2003/1.4.100	741
COM(2003) 290 Bull. 5-2003/1.6.24			OJ L 332/19.12.2003		788
					789

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
789	Draft agreement between the EC and the United States on customs cooperation and mutual assistance in transport safety	Bull. 3-2003/1.6.31	COM(2003) 11	
<i>Treaties, trade agreements and mutual recognition agreements</i>				
795	Draft agreement between the EC and the United States on the mutual recognition of certificates of conformity for marine equipment			
<b>Development cooperation</b>				
<i>Trade and development</i>				
830	Draft agreement on guaranteed prices during the 2001/02 and 2002/03 delivery periods for cane sugar originating in the ACP countries set out in the partnership agreement and in the Republic of India	22.4.2002		
<b>European Economic Area, relations with countries of the European Free Trade Association (EFTA)</b>				
<i>European Economic Area</i>				
857	Agreement on the participation of Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovenia and Slovakia in the EEA and four related agreements	Bull. 12-2002/1.6.79		14.10.2003
<i>Relations with EFTA countries</i>				
859	Renewal of the agreement on scientific and technical cooperation between the EC/Euratom and Switzerland	Bull. 1/2-2003/1.3.134		
859	Draft EC–Switzerland agreement concerning the trade in agricultural products	Bull. 7/8-2003/1.6.90		
860	EC–Norway agreement concerning certain agricultural products			20.6.2003
<b>Relations with the western Balkans</b>				
<i>Stabilisation and association agreements and prospects for accession</i>				
870	Draft agreement on adjustments to the stabilisation and association agreements between the EC and the Former Yugoslav Republic of Macedonia	Bull. 9-2003/1.6.76		
870	Draft agreement on adjustments to the stabilisation and association agreements between the EC and Croatia	Bull. 9-2003/1.6.76		
<b>Relations with the southern Mediterranean and the Middle East</b>				
<i>Maghreb</i>				
887	Agreement between the EC and Morocco concerning reciprocal liberalisation measures and the replacement of protocols 1 and 3 to the EC–Morocco association agreement			

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Commission proposal/ conclusion	EESC opinion/ CoR opinion <sup>°</sup>	EP opinion/ EP assent*	Council regulation (or decision)/ conclusion	Observations	
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COM(2003) 195 Bull. 4-2003/1.6.32				Proposal signature: COM(2003) 195 Bull. 4-2003/1.6.32 Council decision concerning the signature: Bull. 6-2003/1.6.53	795
COM(2003) 137 Bull. 3-2003/1.6.98			Bull. 5-2003/1.6.59		830
COM(2003) 439 Bull. 7/8-2003/1.6.89			13.10.2003	Proposal signature: COM(2003) 439 Bull. 7/8-2003/1.6.89 Council decision concerning the signature: 13.10.2003	857
					859
					859
COM(2003) 314 Bull. 5-2003/1.6.65			OJ L 156/25.6.2003		860
					870
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COM(2003) 754 Bull. 12-2003/1.3.141			OJ L 345/31.12.2003 Bull. 12-2003/1.3.141		887

	Commission recommendation	Council decision/ negotiating directives	Initials	Signature
<i>Middle East</i>				
891	Euro-Mediterranean association agreement with Egypt	Bull. 12-1994/1.3.67	26.1.2001	Bull. 6-2001/1.6.65
892	Agreement between the EC and Israel concerning reciprocal liberalisation measures and the replacement of protocols 1 and 2 to the EC–Israel association agreement			23.12.2003
894	Euro-Mediterranean association agreement between the EC and Lebanon	Bull. 10-1995/1.4.82	Bull. 1/2-2002/1.6.95	17.6.2002
<i>Middle Eastern countries</i>				
897	Draft free-trade agreement between the EC and the Gulf Cooperation Council	Bull. 5-2003/1.6.79		
<b>Relations with the United States, Japan and other industrialised countries</b>				
<i>United States</i>				
928	Draft agreement between the EC and the United States on customs cooperation and mutual assistance in transport safety	Bull. 3-2003/1.6.31	Bull. 11-2003/1.6.85	
<i>Canada</i>				
933	EC–Canada agreement on trade in wines and spirit drinks			Bull. 9-2003/1.3.83
<b>Relations with Latin America</b>				
<i>Relations with regional groupings</i>				
966	Draft agreement on political dialogue and cooperation between the EC and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama	Bull. 3-2003/1.6.91	Bull. 10-2003/1.6.88	
967	Draft agreement on political dialogue and cooperation between the EC and the Andean Community (Bolivia, Colombia, Ecuador, Peru, Venezuela)	Bull. 3-2003/1.6.92	Bull. 10-2003/1.6.92	
<i>Bilateral relations</i>				
974	EC–Chile association agreement	Bull. 11-1999/1.5.98	Bull. 6-2002/1.6.109	Bull. 11-2002/1.6.84

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Commission proposal/ conclusion	EESC opinion/ CoR opinion°	EP opinion/ EP assent*	Council regulation (or decision)/ conclusion	Observations	
OJ C 304 E/30.10.2001 COM(2001) 184 Bull. 4-2001/1.6.54		Bull. 11-2001/1.6.77	COM(2003) 733 Bull. 11-2003/1.6.70 OJ L 345/31.12.2003	Recommendation for signature: Bull. 11-1994/1.3.44 Proposal signature: OJ C 304 E/30.10.2001 COM(2001) 184 Council decision concerning the signature: Bull. 6-2001/1.6.65	891
COM(2003) 619 Bull. 11-2003/1.6.69			Bull. 12-2003/1.3.140	Entry into force: 23.12.2003	892
COM(2002) 170 Bull. 4-2002/1.6.54		Bull. 1/2-2003/1.6.112		Proposal signature: COM(2002) 170 Bull. 4-2002/1.6.54 Council decision concerning the signature: Bull. 4-2002/1.6.54	894
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COM(2003) 377 Bull. 6-2003/1.6.105			30.7.2003		933
COM(2003) 677 Bull. 11-2003/1.6.100				Proposal signature: COM(2003) 677	966
COM(2003) 695 Bull. 11-2003/1.6.102				Proposal signature: COM(2003) 695	967
COM(2002) 536 Bull. 10-2002/1.6.112		Bull. 1/2-2003/1.6.155		Proposal signature: COM(2002) 536 Bull. 10-2002/1.6.112 Council decision concerning the signature: OJ L 352/30.12.2002 Bull. 11-2002/1.6.84	974



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