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**I

REPORT

drawn up on behalf of the Committee on Energy,
Research and Technology

on the proposal from the Commission of the European
Communities to the Council (COM(87) 667 final -
Doc. C 2-289/87) for a decision to adopt a first
multiannual programme (1988-1993) for biotechnology-based
agro-industrial research and technological development
(ECLAIR)

Rapporteur: Mr M. CHIABRANDO

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Or. De.

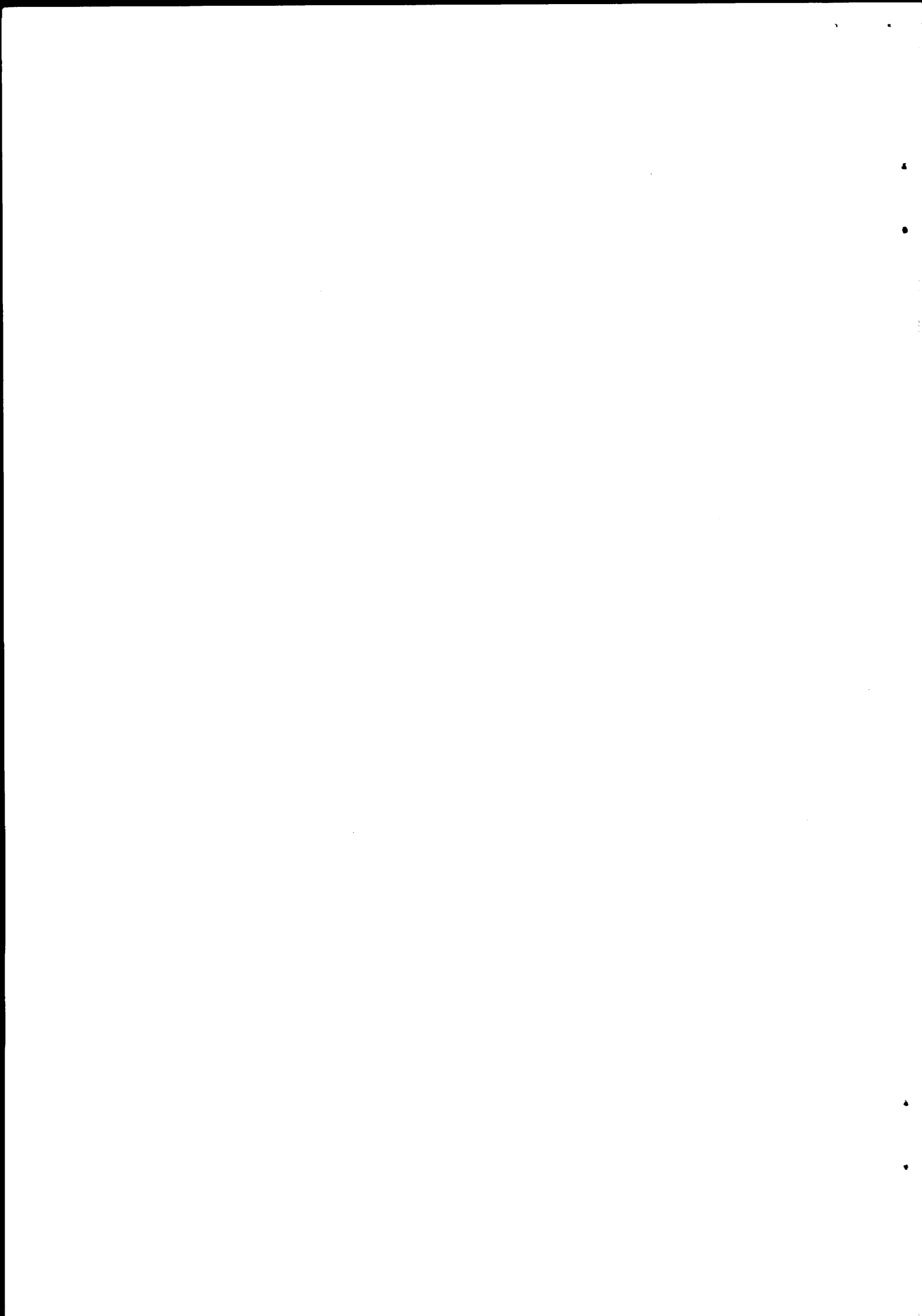
A Series: Reports - B series: Motions for Resolutions, Oral Questions, Written Declarations, etc. - C Series: Documents received from other Institutions (e.g. Consultations)

* = Consultation procedure requiring a single reading

**II = Cooperation procedure (second reading) which requires the votes of the majority of the Members of Parliament

**I = Cooperation procedure (first reading)

*** = Parliamentary assent which requires the votes of the majority of the current Members of Parliament



By letter of 26 January 1988 the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 130Q(2) of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a decision to adopt a first multiannual programme (1988-1993) for biotechnology-based agro-industrial research and technological development 'ECLAIR' (European Collaborative Linkage of Agriculture and Industry through Research).

On 8 February 1988 the President of the European Parliament referred this proposal to the Committee on Energy, Research and Technology as committee responsible, and to the Committee on Agriculture, Fisheries and Food, the Committee on Budgets, and the Committee on Economic and Monetary Affairs and Industrial Policy for their opinions. On 16 May 1988 the President also referred this proposal to the Committee on the Environment, Public Health and Consumer Protection for its opinion. At its meeting of 23 September 1987 the Committee on Energy, Research and Technology appointed Mr Chiabrando rapporteur.

The committee considered the Commission proposal and the draft report at its meetings of 25/26 February, 18/19 April, 21/22 June and 12/13 July 1988. At the last-named meeting the committee decided unanimously to recommend that Parliament approve the Commission proposal subject to the following amendments.

The Commission informed the committee that it was not prepared to accept Amendments Nos. 13 and 25.

The committee then unanimously adopted the draft legislative resolution as a whole.

The following took part in the vote: Mr Adam, acting Chairman; Mr Salzer, Vice-Chairman; Mr Chiabrando, rapporteur; Mr Bardong (deputizing for Mr Wedekind), Mrs Belo (deputizing for Mr Kolokotronis), Mr Carvalho Cardoso (deputizing for Mrs Peus), Mr Desama, Mrs Dührkop Dührkop (deputizing for Mr Schinzel), Mrs Faith, Mr Ford (deputizing for Mr West), Mr Harlin, Mr Negri (deputizing for Mr Escudero Lopez), Mr Rinsche, Mr Sanz Fernandez, Mrs Seibel-Emmerling (deputizing for Mr Linkohr), Mr Seligman, Mr Smith, Mr Toksvig (deputizing for Mr Robles Piquer), Mr Travaglini, Mr Turner, Mr von Uexküll (deputizing for Mr Staes) and Mrs Viehoff.

The opinions of the Committee on Agriculture, Fisheries and Food, the Committee on Budgets, the Committee on Economic and Monetary Affairs and Industrial Policy, and the Committee on the Environment, Public Health and Consumer Protection are attached to this report.

The report was tabled on 8 August 1988.

The deadline for tabling amendments to this report will appear on the draft agenda for the part-session at which it is to be considered.

C O N T E N T S

	<u>Page</u>
Amendments to the Commission proposal	5
A. DRAFT LEGISLATIVE RESOLUTION	19
B. EXPLANATORY STATEMENT	20
 <u>OPINIONS</u>	
Opinion of the Committee on Agriculture, Fisheries and Food	25
Opinion of the Committee on Budgets	30
Opinion of the Committee on Economic and Monetary Affairs and industrial policy	35
Opinion of the Committee on the Environment, Public Health and Consumer Protection	40

The Committee on Energy, Research and Technology hereby submits to the European Parliament the following amendments to the Commission's proposal and draft legislative resolution together with explanatory statement:

Proposal for a Council Decision to adopt a first multiannual programme (1988-1993) for biotechnology-based agro-industrial research and technological development: 'ECLAIR'.

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Energy, Research and Technology

Preamble and first recital unchanged

Second recital

Whereas by its Decision of 28 September 1987 the Council has adopted a Framework Programme of Community research and technological development (1987-1991)(4) providing for activities to be implemented to ensure the exploitation and optimum use of biological resources;

Amendment No. 1

Replace the second recital with the following:

Whereas the Decision of 28 September 1987 concerning the framework programme for Community activities in the field of research and technological development stipulates that a specific objective of Community research must be to strengthen the scientific and technological basis of European industry, particularly in strategic fields of advanced technology, and to encourage industry by making it more competitive at international level, and whereas the same Decision also lays down that Community action is justified when it contributes, among other things, to enhancing the Community's economic and social cohesion and to encouraging its overall harmonious development, while at the same time being consistent with the pursuit of scientific and technical excellence; whereas the ECLAIR programme is planned to contribute to the pursuit of these objectives;

Third recital unchanged

Fourth recital

Whereas the European Parliament, in its assessment of the potential for biotechnology in the European farming industry(5), has emphasized that it must be used to promote an agricultural policy geared to quality, with high added value, and that the Community should support biotechnological research aimed at improving alternative forms of production and/or finding new ones;

Amendment No. 2

Amend the fourth recital to read:

Whereas the European Parliament, in its assessment of the potential for biotechnology in Europe and the need for an integrated policy(5), has emphasized that it must be used, inter alia, to promote an agricultural policy geared to quality, with high added value, rather than to further improvements in yields and increased production, and that the Community should support biotechnological research aimed at improving alternative forms of production and/or finding new ones;

Amendment No. 3

Add the following to the fourth recital:

Whereas Parliament points to the uncertain risks associated with the use, especially the release, of organisms manipulated by genetic engineering and to the possible undesirable social and structural effects of these new technologies;

Amendment No. 4

Amend the fifth recital to read:

Fifth recital

Whereas such activities would constitute a logical complement to the Community research programmes in the areas of biotechnology and of agriculture, promoting the application of their results to the social and economic objectives of the Community;

Whereas such activities should complement the existing Community research programmes in the areas of biotechnology and of agriculture, since they can contribute to further application of the results of such programmes and to the development of this sector in the Community; whereas parallel research is also necessary into the influences of the further development and application of biotechnology on the structure and development of farming;

Whereas these activities must be accompanied by ongoing analysis of their associated costs and benefits, and whereas efforts must be made to ensure that, as a result of these activities, new industries do not develop which can only survive on the basis of permanently subsidized sales of agricultural products;

Sixth recital unchanged

Amendment No. 5

After the sixth recital, insert a new recital 6a:

Whereas the European Parliament has called for a study to be conducted into the structural and social consequences of promoting biotechnologies and genetic engineering;

Amendment No. 6

After recital 6a, insert a new recital 6b:

Whereas the principal and most urgent requirements centre on the search for types of agricultural production for industrial purposes and the search for pesticides and fertilizers which are biodegradable and therefore less harmful to the environment;

Amendment No. 7

After recital 6b, insert a new recital 6c:

Whereas for small and medium-sized agricultural holdings scaling up and further specialization will only exacerbate the existing problems;

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Energy, Research and Technology

Seventh recital

Whereas it is necessary to involve small and medium-sized enterprises to the maximum extent possible in the biotechnology-based agro-industrial technological development programme;

Amendment No. 8

Add the following to the seventh recital:

Whereas it is necessary to involve small and medium-sized enterprises to the maximum extent possible in the biotechnology-based agro-industrial technological development programme, special attention being given to the interests of small and medium-sized farms and enterprises;

Eighth recital unchanged

Amendment No. 9

After the eighth recital, insert the following new recital:

Whereas, provided the requisite technical or scientific conditions are fulfilled, the development of programmes in the less-favoured areas will contribute to the attainment of the objective of economic and social cohesion laid down in the Single Act;

Article 1(1) unchanged

Amendment No. 10

Article 1(2)

The programme shall consist of work carried out as contract-research and as coordination actions and by training/mobility grants. Participants may be industrial and agricultural enterprises, research institutions, universities or combinations of them, established in the Community.

Amend Article 1(2) to read:

The programme shall consist of work carried out as contract-research and as coordination actions and by training/mobility grants. Participants may be individual firms, associations or cooperatives, industrial and agricultural enterprises, research institutions, universities or combinations of them, established in the Community.

Text proposed by the Commission
of the European Communities

Article 1(3)

Normally, research institutes and universities should participate in a group together with one or more industrial organizations. Research institutes which are funded principally or exclusively by industrial organizations shall be considered as industrial participants.

Article 1(4) unchanged

Article 1(5)

As a general rule, the Community contribution will not exceed 50%, the remainder to be provided predominantly from industrial sources.

Article 2

The funds necessary for the execution of the programme are estimated at 80 million ECU, including expenditure on a staff of 13.

Article 3

Amendments tabled by the Committee
on Energy, Research and Technology

Amendment No 11

Amend paragraph 3 to read:

Normally, research institutes and universities should participate in a group together with one or more industrial or agricultural organizations.
(Rest unchanged)

Amendment No. 12

Amend paragraph 5 to read:

As a general rule, the Community contribution will not exceed 50%, the remainder to be provided by the beneficiary, in particular from industrial sources.

Amendment No. 13

Add the following to Article 2:

The funds necessary for the execution of the programme are estimated at 80 million ECU, including expenditure on a staff of 13.

The final level of appropriations and the number of persons employed shall be fixed by the Budgetary Authority within the framework of the annual budgetary procedure in the light of actual requirements.

Amendment No. 14

Replace Article 3 with the following:

1. Every year as part of the budgetary procedure the Commission shall submit a report to the European Parliament and to the Council on the rate at which budgetary resources are being used up in the three sectors of the programme and prospects as regards multiannual estimates.

Text proposed by the Commission
of the European Communities

In the third year of the programme implementation, the Commission shall undertake a review. An evaluation will be conducted before the end of the programme and in the light of the objectives set out in Annex II.

Article 4

The Commission shall be responsible for the execution of the programme and will be assisted in its implementation by a Management and Coordination Advisory Committee (CGC) created in accordance with the Council Decision No. 84/338/Euratom, ECSC, EEC of 29 June 1984.

Amendments tabled by the Committee
on Energy, Research and Technology

2. In the third year of the programme implementation, the Commission shall undertake a review and submit a report on the findings of that review to the Council and the European Parliament, accompanied, if necessary, by proposals to amend or extend the programme, depending on the results previously obtained, and to increase the funding.

3. On completion of the programme, the Commission shall submit a report to the Council and the European Parliament containing an assessment of the results obtained. The report shall be drawn up by independent experts.

4. On the basis of this evaluation, a report shall be submitted to the European Parliament, incorporating an analysis of the costs and benefits of these activities and possible applications.

5. The report referred to above shall be drawn up in accordance with the provisions of Article 2(2) of the framework programme.

Amendment No. 15

Insert a new Article 3a:

Each project within the ECLAIR programme shall be required to submit a contingent environmental impact assessment before approval, as defined in Annex III.

Amendment No. 16

Amend Article 4 to read:

The Commission shall be responsible for the execution of the programme, for informing the public and for ensuring that the interest groups concerned are involved, and will be assisted in its implementation by a Management and Coordination Advisory Committee (CGC), created in accordance with the Council Decision No. 84/338/Euratom, ECSC, EEC of 29 June 1984.

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Energy, Research and Technology

Amendment No. 17

Add the following to Article 4:

The Commission shall negotiate and conclude the contracts required for the implementation of approved projects. It shall, accordingly, draw up contracts setting out the rights and obligations of each party, in particular the arrangements for dissemination, protection and exploitation of research findings.

Article 5 unchanged

Amendment No. 18

After Article 5, insert a new Article 5a:

This Decision is addressed to the Member States.

ANNEX I

PROGRAMME

for the first multiannual action programme for biotechnology-based
agro-industrial research and technological development (1988-1993)

Amendment No. 19

Amend paragraph 1 to read:

AIMS, Paragraph 1

The objective of the programme here proposed is to promote in Europe the useful application of recent developments in the life sciences and biotechnology. This shall be achieved by a programme of pre-competitive research and technical development projects and coordination activities, based on close collaboration between agriculture and industrial activities, and supported by training/mobility grants. The programme will contribute in the medium and longer terms to enhancing Europe's competitiveness in the economic activities which will be based on these developments.

AIMS

(Unchanged)

The programme will contribute in the medium and longer terms to enhancing Europe's competitiveness in the economic activities which will be based on these developments, and to strengthening economic and social cohesion in the Community.

The purpose of the programme shall be to attain the following objectives in particular:
(i) Research into and development of appropriate agricultural products for industrial purposes and research into and promotion of new industrial processes using agricultural raw materials with a view to obtaining industrial products with high added value at low cost;
(ii) Research into and development of more readily degradable pesticides and fertilizers and environmentally less harmful, or more beneficial, disease control and eradication systems; reduction and elimination of the by-products of processing, by recovering resources and reducing waste.

Amendment No. 20

Replace paragraph 2 with the following:

Nature conservation, the enhancement of nature, public health, environmental protection and the social implications shall occupy a central position in the execution of this programme.

AIMS, paragraph 2

Conservation, enhancement of nature and environmental protection issues will be systematically taken into consideration in the execution of the programme.

Amendment No. 21

Amend paragraph 1 to read:

CONTENT

The programme shall be pursued through the measures set out below.

(Remainder deleted)

CONTENT

The programme shall consist of the following sectors:

1. PRODUCTION AND EVALUATION TRIALS OF CANDIDATE SPECIES OR ORGANISMS
2. INDUSTRIAL PRODUCTS AND SERVICES
3. INTEGRATED APPROACHES

**Text proposed by the Commission
of the European Communities**

**1. PRODUCTION AND EVALUATION TRIALS
OF CANDIDATE SPECIES OR
ORGANISMS (...)**

**2. INDUSTRIAL PRODUCTS AND SERVICES
shall consist of: (...)**

**3. INTEGRATED APPROACHES shall
consist of: (...)**

IMPLEMENTATION (...)

**Amendments tabled by the Committee
on Energy, Research and Technology**

Amendment No. 22

Point 1 to read as follows:

**1. EVALUATION TRIALS AND PRODUCTION
OF NEW SPECIES AND ORGANISMS:**

(Rest unchanged)

Amendment No. 23

Point 2 to read as follows:

2. INDUSTRIAL PRODUCTS AND SERVICES:

(Rest unchanged)

Amendment No. 24

Point 3 to read as follows:

3. INTEGRATED APPROACHES:

(Rest unchanged)

(Unchanged)

ANNEX II

EVALUATION CRITERIA

for the first multiannual action programme for biotechnology-based
agro-industrial research and technological development (1988-1993)

Introductory paragraph and points 1 and 2 unchanged

3. Particular objectives to be attained within three years of the programme implementation are as follows:

3.1. that tests of new or modified species or organisms have been conducted, and have given grounds to expect that these organisms, or the processes used to produce or modify them, represent progress and could find applications;

3.2. That tests have been conducted of new or modified products, techniques or services for use in agriculture; that advantages in terms of precision, effectiveness, or the avoidance of possible adverse side-effects have been indicated; and that as a result of the tests the products, techniques or services have practical applications;

Amendment No. 25

Replace point 3 with the following:

3. The evaluation criteria and stages of this programme are as follows:

3.1. That studies should be funded examining the socio-structural and ecological impact of promoting bio-technology and genetic technology in agriculture;

3.2. Tests of new or modified species or organisms must give grounds to expect that these organisms, or the processes used to produce or modify them, represent progress and could find applications;

Genetically engineered micro-organisms may not be released until binding safety regulations have been enacted;

3.3. Tests of new or modified products, techniques or services for use in agriculture must give evidence of advantages in terms of precision, effectiveness, or the avoidance of possible adverse side-effects; it must also be demonstrated that, as a result of the tests, the products, techniques or services have practical applications;

Text proposed by the Commission
of the European Communities

3.3. that tests have been conducted of more precise and effective extraction, transformation and production processes, applying biotechnological and/or other methods to an agricultural output; and that as a result of the tests, the processes are useful;

3.4. that through the programme, arrangements shall be organized between farming and industrial/processing interests, and facilities or equipment created, modified or made available, to test on one or more crops the technical feasibility of 'whole-crop harvesting', and that corresponding measures of performance have been or are in course of being defined, to provide a basis for further system improvements, and a basis for decision on the replication and diffusion of similar larger-scale activities; and

3.5. that studies have been financed and completed, and development projects supported, involving the use in agriculture of new technologies (e.g. involving sophisticated detection/measurement/recording techniques, information processing, automation of equipment and facilities), in conjunction with the application of biotechnology; and that as a result of such studies and projects new applications have been found.

Amendments tabled by the Committee
on Energy, Research and Technology

3.4. The tests must make for more precise and effective extraction, transformation and production processes, applying biotechnological and/or other methods to an agricultural output, and must show that, as a result of the tests, the processes are useful;

3.5. Arrangements shall be organized between farming, industrial and processing interests, and facilities for equipment created, modified or made available, to test on one or more crops the technical feasibility of 'whole-crop harvesting'. The corresponding measures of performance which have been or are in course of being defined to provide a basis for further system improvements must form the basis for deciding on the replication and diffusion of similar activities on a larger scale.

3.6. The studies shall be financed and completed, and development projects supported, involving the use in agriculture of new technologies (e.g. involving sophisticated detection/measurement/recording techniques, information processing, automation and equipment and facilities), in conjunction with the application of biotechnology. As a result of such studies and projects, new applications shall be sought.

Points 4 and 4.1 unchanged

Amendment No. 26

Amend points 4.2 - 4.4 to read:

4.2. Taking account of the final reports on the Biotechnology Action Programme which ends in December 1989, and of the Biomolecular Engineering Programme (1982-1986), and of the evaluation report(s) on

4.2. Taking account of the final reports on the Biotechnology Action Programme which ends in December 1989, and of the Biomolecular Engineering Programme (1982-1986), and of the evaluation report(s)

these programmes, consideration should be given to whether this programme is in fact effectively promoting the transfer towards application of the result of the earlier biotechnology (or biomolecular engineering) research programmes; and

4.3. That throughout the execution of the programme the projects should have taken adequately into consideration the conservation and enhancement of nature and environmental issues.

4.4. Taking account of the results of Community, national or private sector research activities in biotechnology, the evaluation panel shall consider whether the ECLAIR programme has contributed to the application of the results of the said research activities in regions of the Community other than those in which the research was conducted, and has produced added value attributable to the Community character of the programme (i.e. not readily obtainable via Member State actions alone).

on these programmes, consideration should be given to whether this programme is in fact effectively promoting the transfer towards application of the results of the earlier biotechnology (or biomolecular engineering) research programmes;

4.3. All the measures put forward in the context of this programme must be geared to the demands of environmental protection and nature conservation and must submit at the outset a satisfactory contingent environmental impact assessment as defined in Annex III.

4.4. (English text unchanged)

Amendment No. 27

Add a new point 4.5 to read:

4.5. The principle of cohesion between the most developed and least developed regions of the Community shall particularly apply.

Amendment No. 28

Add a new Annex III as follows:

ANNEX III

Contingent Environmental Impact Assessment

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Energy, Research and Technology

Council Directive 85/337/EEC(1) on
the assessment of certain public and
private projects on the environment,
defines the scope of environmental
impact assessment in its Articles 3
and 5. A contingent environmental
impact assessment is defined as an
environmental impact assessment of
the possible developed outcomes of a
research and development project.

(1) OJ No. L 175, 5.7.1985, pp. 40-48

A

DRAFT LEGISLATIVE RESOLUTION
(Cooperation procedure: first reading)

embodying the opinion of the European Parliament on the proposal from the Commission to the Council for a Council decision to adopt a first multiannual programme (1988 - 1993) for biotechnology-based agro-industrial research and technological development (ECLAIR)

The European Parliament,

- having regard to the proposal from the Commission to the Council (1),
 - having been consulted by the Council pursuant to Article 130q(2) of the EEC Treaty (Doc. C 2-289/87),
 - considering the proposed legal basis to be appropriate,
 - having regard to the report of the Committee on Energy, Research and Technology and the opinions of the Committee on Agriculture, Fisheries and Food, the Committee on Budgets, the Committee on Economic and Monetary Affairs and Industrial Policy, and the Committee on the Environment, Public Health and Consumer Protection (Doc. A 2-170/88),
1. Approves the Commission's proposal subject to Parliament's amendments and in accordance with the vote thereon;
 2. Calls on the Commission to amend its proposal accordingly, pursuant to Article 149(3) of the EEC Treaty;
 3. Calls on the Council to incorporate Parliament's amendments in the common position that it adopts in accordance with Article 149(2(a)) of the EEC Treaty;
 4. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 5. Instructs its President to forward this opinion to the Council and Commission.

(1) COM(87) 667 final, OJ No. C 62, 5.3.1988, p. 7

EXPLANATORY STATEMENT**Introduction**

1. The ECLAIR programme has been submitted in response to prevailing trends, both on Community agricultural markets and in industrial demand. Surpluses are a feature of the markets in virtually all agricultural products. Measures have been taken to bring this situation under control, either by introducing guaranteed quantities or, most recently, by means of price cuts. Indeed, the European Council of 11 - 13 February 1988 marked a further step along this road. In a statement issued at the close of that European Council, the Commission was requested to 'investigate all possibilities of increasing the utilization of agricultural commodities in the non-food sector and to submit proposals to that effect'.

Industry, on the other hand, is seeking 'tailor-made' raw materials to boost industrial production while cutting production costs, as well as to maintain security of supply.

Summary of the programme

2. Basically, the Commission has proposed measures in the following areas:
 - (i) Agricultural production for industrial uses

The work to be carried out in this sector will centre on improving existing agricultural products and perfecting alternative products to meet the needs of industry and open up new markets. Flax, sunflowers, or colza, for instance, might be adapted to the needs of industry. Similarly, specific techniques might be employed for breeding and cultivating what have hitherto, in Europe, been rare varieties, e.g. cuphea or euphorbia, sources of special fatty acids.

(ii) Industrial aspects

In the area of industrial production there is also scope for projects up- and downstream from agriculture. Biodegradable plant protection products that leave no residues and the development of specific fertilizers absorbable by plants with minimum waste are possible subjects for projects upstream from agriculture.

Downstream from agriculture, activities such as new fractionation techniques for, or other uses of, flax or certain oils or starches (biodegradable packaging materials) might be mentioned.

(iii) Integrated Projects

These projects can relate to various subjects. They might, for example, be integrated agro-industrial projects connected with harvesting the whole plant or with farming-oriented new technology applications. To give an example of a project in the area of whole plant harvesting, a new plant variety, grown and harvested using new techniques, might be transported whole to an industrial processing unit, where each of its constituent parts would be put to commercial use. Coming under the heading of integrated technologies are, for instance, advanced data-processing applications, automation, and the introduction of new computer-controlled mechanical processes, etc.

3. In addition to financial support for agro-industrial technologies, training and mobility grants are to be awarded under the ECLAIR programme, and coordination provided through meetings, workshops, etc.
4. Measures to coordinate national activities with EUREKA and/or ECLAIR activities must ensure that the resources allocated for research are put to rational use. Lastly, particular attention will be devoted to the impact that the end results of projects might have on the environment. The new biotechnologies will greatly help to improve the environment, especially since they will make it possible to produce new biodegradable products, either up- or downstream from agriculture. While adverse effects will be avoided as far as possible, every encouragement will be given in order to boost the beneficial spin-offs.
5. As far as the European dimension is concerned, the main points to be borne in mind are the planned multinational nature of the projects and the financial contribution to be provided by the industries concerned. The type of stimulus that will be generated by ECLAIR is thus especially apt for Community initiatives.
6. The Commission's proposal is in line with the European Parliament's resolution of 16 February 1987, which pointed to the importance of biotechnology as a means of achieving the Community's economic and social aims. The new closer cooperation between science, industry, and agriculture that the programme is designed to bring about is also directed towards those aims.

General comments on the ECLAIR programme

7. The Commission's attempt to place scientific research and technology in the service of agriculture and the European agri-foodstuffs industry is to be welcomed with great interest.
With ECLAIR, which seeks to promote close collaboration between farming and industrial activities through research and technological development based on the latest advances in the biological sciences, a practical step is being taken towards restoring the competitiveness of European agriculture.
8. However, the ECLAIR programme, in the form proposed by the Commission ought to be rejected wholesale, not on account of the substance, which is sound, but on account of the form of presentation: the document is very long, complicated, repetitive, tortuous, and hence, in the final analysis, near incomprehensible. The same points are put forward and reworked time and again, albeit using different wording, and this only brings confusion and difficulty to something that could be much clearer and more straightforward.
9. Furthermore, the ECLAIR proposal should cover point 4.2 ('Agro-industrial technologies') of the framework programme for Community R & D activities, given that point 4.1 ('Biotechnology') is already covered in the current (1985-89) biotechnology research action programme, while point 4.3 ('Competitiveness of agriculture and management of agricultural resources') is to be covered in a future proposal for a separate action programme. There is also the 1984-88 Community agricultural research programme, last amended in March 1987. Each programme should pursue clearly defined objectives in clearly demarcated areas, so as to avoid any overlapping, since this could obstruct rational coordination and an overall view of the programmes, thus leading to considerable waste of resources. In actual fact, the Commission's proposal does not make such a clear and distinct separation between programmes as the framework programme requires. The ECLAIR programme, for instance, touches on biotechnologies and agro-industrial technologies, as well as on the competitiveness of agriculture and management of agricultural resources, and hence cuts across all three points in the framework programme.
10. The Economic and Social Committee also points to the excessive overlapping of activities between this and other programmes, observing that the 'Linkage of form and content between the present programme and those coming under other actions concerning agriculture is not adequately brought out, and is especially not demonstrated in a clear and systematic way'. Moreover 'the committee has the impression that with regard to this whole subject the decision-making and managing bodies do not have an overall view of all the various programmes' and perceives 'a real danger of an explosive growth in administration and expenses'.

11. To avoid confusion and the dispersion of resources, a concern also shared by the Economic and Social Committee, the rapporteur feels that the ECLAIR programme should pursue the following aims only:
 - (a) research into new industrial uses for existing agricultural products, especially those in surplus;
 - (b) research into new crops and products providing new raw materials for industry;
 - (c) research into new, more easily degradable, plant health products and fertilizers affording a greater degree of environmental protection.
12. As far as nature conservation and environmental protection are concerned, it is proposed to reword the decision to ensure that they are given a central place in relation to all the aims and research activities.
13. The description of the content of the ECLAIR programme in Annex I, which is divided into three sections entitled 'Production and evaluation trials of candidate species and organisms', 'Industrial products and services', and 'Integrated approaches', seems somewhat involved and certainly goes beyond the bounds called for on several occasions.

The rapporteur, however, has decided not to propose amendments on that point and asks the Commission instead to adhere to the aims and guidelines previously laid down.
14. The five subparagraphs of point 3 (objectives) of Annex II and the description of sectors 1, 2 and 3 in the financial statement merely repeat, in different wording, what has been said in the preceding sections regarding research activities. To make for at least a modicum of clarity, it is proposed to delete these points.
15. Yet again, and for the umpteenth time, all the usual (and more or less the same) arguments are put forward in the final section, the 'competitiveness and employment impact statement': the rapporteur sees no reason to dwell any further on this inordinate repetition.
16. The reservation of the ESC and the Committee on Agriculture, Fisheries and Food, as regards the dangers resulting from the use and abuse of biotechnology, can only be supported. When using these instruments, the Commission should proceed with great caution and only after making all the necessary checks in advance.
17. One notable and welcome innovation is the fact that part of the ECLAIR programme will be concerned with perfecting pesticides, plant protection and veterinary products, new fertilizers, and packaging materials, which, being degradable, will all help to limit pollution and generally halt the deterioration in the ecological balance.

18. ECLAIR provides an appropriate response to the European Council's call for new markets to be sought for agricultural products in surplus. As cereals are among the agricultural products in surplus, part of the programme's resources may be earmarked for this sector. However, private industry has made considerable efforts to date in this sector, and, from the scientific and technical point of view, the results have been good. There is still a problem where costs are concerned, for competitiveness at this level has so far failed to match that obtained in the case of mineral products. The Commission should, however, proceed with great caution in this area, so as not to penalize research sectors on which major hopes have been pinned.
19. Finally, as far as funding is concerned, the 80 m ECU proposed, amounting to just 3% of CAP spending, is decidedly modest in relation to the potential scope of the programme's activities. However, when the Commission reviews the programme at some point in the future, there will be an opportunity to make the financial adjustments deemed necessary and feasible at the time.

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on Agriculture, Fisheries and Food

Draftsman: Mr J.L. COLINO SALAMANCA

At its meeting of 16 March 1988 the Committee on Agriculture, Fisheries and Food appointed Mr NITSCH draftsman of the opinion.

It considered the draft opinion at its meetings of 26/27 May and 21/22 June 1988 and at the latter adopted the conclusions contained therein by 29 votes to 2, with 2 abstentions.

After the vote Mr NITSCH withdrew as draftsman; the committee appointed the Chairman, Mr COLINO SALAMANCA in his place.

The following took part in the vote. Mr COLINO SALAMANCA, chairman and draftsman of the opinion; Mr FRUH, Mr EYRAUD, vice-chairmen; Mr BATTERSBY (deputizing for Mr SIMMONDS), Mr BOCKLET, Mr CARVALHO CARDOSO, Mr CERVERA CARDONA, Mr CLINTON (deputizing for Mr STAVROU), Mr EBEL (deputizing for Mr DALSASS), Mr GATTI, Mr HARLIN (deputizing for Mr CHRISTENSEN), Mr JACKSON, Mr JEPSEN, Mr MAFFRE-BAUGE, Mr MAHER, Mr MARCK, Mr MEDINA ORTEGA (deputizing for Mr GUARRACI), Mr MIRANDA DA SILVA (deputizing for Mr PRANCHERE), Mr MORRIS, Mr NIELSEN, Mr NITSCH, Mr PEREIRA (deputizing for Mr GARCIA), Mr N. PISONI, Mr REMACLE (deputizing for Mr FICH), Mr ROSSI, Mrs ROTHE, Mr SIERRA BARDAJI, Mr STEVENSON (deputizing for Mrs CASTLE), Mr THAREAU, Mr VAZQUEZ FOUZ, Mr VERNIMMEN, Mr WAWRZIK (deputizing for Mr DEBATISSE) and Mr WOLTJER.

The Committee on Agriculture, Fisheries and Food welcomes the start of the ECLAIR biotechnology research programme which can make Community agriculture more competitive in the world context and strengthens existing ties between the agricultural and industrial sectors, increasing the added value of the whole agri-foodstuffs sector.

The committee nevertheless requests the Committee on Energy, Research and Technology to note the following remarks:

1. Among the foreseeable consequences of the development of biotechnology will be a marked increase in production yields and the opening-up of new outlets, especially non-food outlets, for agricultural products.

The Commission is therefore requested to take account, as far as possible, in promoting these research programmes of their effects in terms of the overall increase in production and the need for maintaining balance on EEC internal markets;

2. Biotechnology development can lead to improvements in food quality (e.g. by reducing chemical residues in foodstuffs) and in the environment through reduced use of pollutant substances (e.g. by means of an integrated set of measures). The Commission is therefore requested to give maximum priority to projects with these objectives;
3. Widespread application of biotechnology-based agricultural production methods can lead to major changes in agricultural production structures (specialization and concentration).

The Commission is therefore requested to conduct without delay a thorough study of these possible effects with a view to early implementation of the measures needed to overcome any resultant regional imbalances in agricultural production;

4. Industry should not be the only sector to benefit from biotechnology development.

The Commission is therefore requested to amend its draft programme so as to guarantee sufficient participation for agricultural producers, for their associations and for cooperatives;

5. The committee would wish to see more funds made available for this very important programme;
6. The committee asks the Committee on Energy, Research and Technology to incorporate the following amendments in its report:

Text proposed by the Commission

Fourth recital

Whereas the European Parliament, in its assessment of the potential for biotechnology in the European farming industry (5), has emphasized that it must be used to promote an agricultural policy geared to quality, with high added value, and that the Community should support biotechnological research aimed at improving alternative forms of production and/or finding new ones;

Fifth recital

Whereas such activities would constitute a logical complement to the Community research programmes in the areas of biotechnology and of agriculture, promoting the application of their results to the social and economic objectives of the Community;

Text amended by Parliament

Amendment No. 1

Fourth recital

unchanged

Add the following:

In particular, the European Parliament has called for a study to be conducted into the structural and social impact of the promotion of biotechnology and genetic technology in agriculture;

Amendment No. 2

Fifth recital

Whereas such activities complement the Community research programmes in the areas of biotechnology and of agriculture, since they can contribute to further application of the results of such programmes and to the development of this sector in the Community; whereas parallel research is also necessary into the influences of the further development and application of biotechnology on the structure and development of farming;

whereas these activities need to be accompanied by ongoing analysis of their associated costs and benefits and whereas efforts must be made to avoid the development of new industries as a result of these activities which can only survive on the basis of permanently subsidized sales of agricultural products;

Text proposed by the Commission

Article 1

Second subparagraph

The programme shall consist of work carried out as contract-research and as coordination actions and by training/mobility grants.

Participants may be industrial and agricultural enterprises, research institutions, universities or combinations of them, established in the Community.

Article 1

Third subparagraph

Normally, research institutes and universities should participate in a group together with one or more industrial organizations. Research institutes which are funded principally or exclusively by industrial organizations shall be considered as industrial participants.

Article 1

Fifth subparagraph

As a general rule, the Community contribution will not exceed 50%, the remainder to be provided predominantly from industrial sources.

Text amended by Parliament

Amendment No. 3

Recital 8a (new)

After the eight recital, add a new recital to read:

whereas, provided the requisite technical or scientific conditions are fulfilled, the development of programmes in the less-advantaged areas will contribute to the attainment of the objective of economic and social cohesion laid down in the Single Act;

Amendment No. 4

Article 1

Second subparagraph

First sentence unchanged

Participants may be industrial and agricultural enterprises - individual firms, associations or cooperatives - research institutions, ... (rest unchanged)

Amendment No. 5

Article 1

Third subparagraph

Normally, research institutes and universities should participate in a group together with one or more industrial or agricultural organizations (rest unchanged)

Amendment No. 6

Article 1

Fifth subparagraph

As a general rule, the Community contribution will not exceed 50%, the remainder to be provided by the beneficiary, in particular from industrial sources.

Text proposed by the Commission

Article 3

In the third year of the programme implementation, the Commission shall undertake a review. An evaluation will be conducted before the end of the programme and in the light of the objectives set out in Annex II.

ANNEX II - EVALUATION CRITERIA

3. Particular objectives to be attained within three years of the programme implementation are as follows:

3.1 that tests of new or modified species or organisms have been conducted, and have given grounds to expect that these organisms, or the processes used to produce or modify them, represent progress and could find applications;

Text amended by Parliament

Amendment No. 7

Article 3

In the third year of the programme implementation, the Commission, in collaboration with the European Parliament, shall undertake a review. Before the end of the programme, the Commission shall conduct an evaluation in the light of the objectives set out in Annex II and shall inform the European Parliament of its findings.

On the basis of this evaluation, a report shall be submitted to the European Parliament, incorporating an analysis of the costs and benefits of these activities and possible applications.

Amendment No. 8

ANNEX II - EVALUATION CRITERIA

3. unchanged

Insert a new subparagraph 3.1 before the present subparagraph 3.1 to read:

3.1 that studies should be funded examining the socio-structural and ecological impact of promoting biotechnology and genetic technology in agriculture;

Amendment No. 9

3.1 unchanged

Add the following at the end of subparagraph 3.1:

... genetically engineered micro-organisms may not be released until binding safety regulations have been enacted;

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on Budgets

Draftsman: Mr PAPOUTSIS

At its meeting of 23 September 1987 the Committee on Budgets appointed Mr PAPOUTSIS draftsman in respect of all the proposals concerning the framework programme on technological research and development in the Community.

At its meeting of 23 June 1988 the Committee considered the draft opinion. It unanimously adopted the conclusions thereof.

The following were present: Mr Cot, Chairman; Sir James Scott-Hopkins, second Vice-chairman; Mr Cornelissen, third Vice-chairman; Mr Papoutsis, draftsman; Mr Adam (deputizing for Mr Dankert), Mr Arndt, Mrs Barbarella, Mr Bardong, Mr Baron Crespo, Mr Calvo Ortega, Mr Cervetti, Mr Christodoulou, Mr Colom i Naval, Mr James Elles, Mr Lalor, Mr Langes, Mr Louwes, Mr Stevenson, Mr Tomlinson and Mr von der Vring.

1. INTRODUCTION

1. The Framework Programme includes an Action 4 'exploitation and optimum use of biological resources' and, within it, a sub-action 4.2 'Agro - Industrial Technologies.'

2. The Commission proposal for a multi-annual programme (1988-1993) for biotechnology - based agro - industrial research and technological development known as ECLAIR, is part of this sub-action. The objective of the proposed programme is to contribute in the medium and longer terms to the competitiveness of Europe's agriculture and industries by improving the links between these two sectors and providing technical know-how.

3. This first multiannual programme has been drawn up taking into account the following factors: the situation on the agricultural markets, demand by the transformation industries and the views expressed by interested individuals and trade associations. Three sectors of activity have been selected: they will constitute reference points for drawing up special programmes covering a wide number of research activities. These include:

- agricultural production for industrial uses: this will involve studying the production and evaluating experimental species or organisms (plants, livestock, other) and assessing the suitability thereof for use in industry;

- industrial products and services: this will involve biotechnology-based research and development for developing products and services intended for use in agriculture, or projects to increase the use and value of agricultural produce;

- integrated projects: this will involve studying experimental systems regarding the use of plants, i.e. whole crop harvesting, preservation and separation systems to provide a basis for an economic appraisal.

II. FINANCIAL ASPECTS OF THE ECLAIR PROGRAMME

4. According to the Commission's financial statement the total cost to the Community budget of the first five-year ECLAIR programme will amount to 80 m ECUs. This sum will cover contracts amounting to a total of 71.9 m ECUs, operating costs totalling 2.5 m ECUs and, finally, staff costs totalling 5.6 m ECUs. The table below gives a detailed schedule of the payment and commitment appropriations of the ECLAIR programme.

Schedule of Commitment Appropriations and Payments - ECLAIR

Commitment Appropriations	1988	1989	1990	1991	1992	1993	1994	TOTAL
Contracts	9.9	19.9	10.2	10.0	20.0	1.9		71.9
Operating Costs	0.3	0.4	0.5	0.5	0.5	0.3		2.5
Personnel Costs	0.4	0.9	1.0	1.0	1.1	1.2		5.6
TOTAL	10.6	21.2	11.7	11.5	21.6	3.4		80.0

Payment Appropriations	1988	1989	1990	1991	1992	1993	1994	TOTAL
Contracts	1.6	8.2	12.1	11.1	12.5	12.6	13.8	71.9
Operating Costs	0.3	0.4	0.5	0.5	0.5	0.3		2.5
Personnel Costs	0.4	0.9	1.0	1.0	1.1	1.2		5.6
TOTAL	2.3	9.5	13.6	12.6	14.1	14.1	13.8	80.0

5. The Commission states that the total project costs would typically be in the range of 2 to 8 m ECUs, of which the Community commitment would not be more than 50%; on average around 2.5 m ECUs.

6. It should be stressed at this point that the Community contribution of 50% should be considered merely as an estimate despite the provisions of Article 1 of the proposal; this is because the Commission's Financial Statement provides for total spending of 80 m ECUs in the Community budget while expenditure from other sectors at national level are calculated at 72 m ECU.

7. According to the Commission the objective of the ECLAIR programme is to provide a financial stimulus for agro-industrial technologies and to attract interested parties by contributing approximately 50% of costs for the realization of the relevant programmes. If the Community is prepared to make available the necessary resources, this intention can be realized: it only depends on expression of interest by scientific, agricultural and industrial circles. The question is therefore whether these circles will respond and if so, how fast budgetary resources will be used up.

8. Despite the existence of multi-annual schedules regarding the allocation of resources, the rate of utilization of resources is only approximative and should be fixed annually. This should be done in the Community budget. Given the financial rules in force and the forthcoming amendments thereto as regards transfers of appropriations, it is easy to understand the importance of entering a specific item in the budget. Such an entry should be considered to represent the best possible assessment of estimated costs on an annual basis.

9. Another matter which should be considered in addition to the rate of utilization of financial resources is the question of how to elicit expressions of interest from the various parties concerned. In this connection the Commission proposes a Community contribution of approximately 50%. As it states in its explanatory memorandum, it is necessary to involve small- and medium-sized enterprises and to facilitate the training and mobility of researchers and experts. The question is to what extent a uniform rate of Community participation can have the same effect in the individual markets where there are considerable differences in the financial rewards for the factors of production. Furthermore, it is clear that a single market is at present only a working hypothesis and a future objective and if a uniform rate of Community participation is laid down this will result in inequalities as regards the ability of various circles in the Member States to participate in the programme.

10. This observation acquires a special relevance when the Commission stresses that the programme aims to increase added value. Added value is not an abstract concept but rather is linked to the productive activities of a specific economy and it is worth recalling the conceptual link between added value and the Gross Domestic Product. The question is therefore whether expenditure by the Community budget aimed at the leading economic sectors can create the preconditions for an increase in added value at European level. This question is particularly relevant in view of the fact that the Budget is to be financed by additional revenue, the value of which will be directly linked to the development of the GDP in the Member States.

11. It is therefore clear that the manner and conditions in which appropriations are executed in the Community Budget depends on the willingness of the Member States to finance this budget.

12. In addition to these remarks it should be pointed out that Article 3 of the Commission's proposal states that in the third year of the programme implementation, the Commission shall undertake a review. The question which arises is: what financial information will be available to the Budgetary Authority when it comes to approve the appropriations for the following two financial years? As regards the 1988 Budget the appropriations approved in the contingency reserve amount to 5.3 m ECUs for commitment appropriations and 1.125 m ECUs for payment appropriations.

13. If the Commission intends to provide the Budgetary Authority with information only every three years, will the Budgetary Authority not be hampered in its activities for 2 years as it will lack the information it requires in order to approve the annual appropriations? Is it not possible that this lack of information will also reduce the reliability of the multi-annual estimates which will become worthless?

14. Finally, a remark on the interpretation that may be given to the term 'industrial and agricultural undertakings', especially if they include small and medium-sized undertakings and agricultural cooperatives. It should be recalled that the primary and secondary sectors differ from one Member State to another.

III. CONCLUSIONS

On the basis of the preceding remarks the rapporteur proposes that the Committee on Budgets undertake the following amendments:

Article 1

The second indent to read:

The programme shall consist of work carried out as contract-research and as coordination actions and by training/mobility grants. Participants may be industrial and agricultural enterprises, including small and medium-sized undertakings and agricultural cooperatives, research institutions, universities or combinations of them, established in the Community.

Article 2

This article to read as follows:

The Funds necessary for the execution of a programme are estimated at 80 m ECUs, including expenditure on a staff of 13.

The final level of appropriations and the number of persons employed shall be fixed by the Budgetary Authority within the framework of the annual budgetary procedure in the light of actual requirements.

Article 3

This article to read as follows:

Every year as part of the budgetary procedure the Commission shall submit a report to the European Parliament and the Council on the rate at which budgetary resources are being used up in the three sectors of the programme and prospects as regards multi-annual estimates.

In the third year of the programme implementation, the Commission shall undertake a review. An evaluation will be conducted before the end of the programme and in the light of the objective set out in our Annex II.

O P I N I O N

of the Committee on Economic and Monetary Affairs and Industrial Policy

Draftsman: Mr RAFTERY

On 24 February 1988 the Committee on Economic and Monetary Affairs and Industrial Policy appointed Mr RAFTERY draftsman of the opinion.

The Committee considered the draft opinion at its meeting of 26-28 April 1988. It adopted the draft opinion on 27 April unanimously.

The following took part in the vote: BEUMER, (Chairman), RAFTERY (draftsman), ALVAREZ DE EULATE (deputizing for de FERRANTI), BONACCINI, CHANTERIE, CHRISTODOULOU (deputizing for STARITA), FRIEDRICH, I., HERMAN, INGLEZ, METTEN, PARTRAT, PATTERSON, von WOGAU

I. BACKGROUND

1. In COM (87) 667 final the Commission is putting forward a proposed 5-year programme for biotechnology-based agro-industrial research and technological development ("ECLAIR" programme). This would follow on the Commission's previous initiatives on biotechnology, and would come within the sub-section on agro-industrial technologies within the 1987-1991 framework programme for research and technological development. The programme also follows on a call for proposals, to which 856 companies, institutes and universities responded to the Commission.
2. The cost of the Community programme to the Community budget would be 80 million ECU out of the estimated total of 150 million ECU. The balance would have to be funded primarily by industry although institutes and universities would also be partners in the individual projects. A special feature of the programme would be training and mobility grants.
3. The proposed programme would be inter-disciplinary, inter-sectoral and international, attempting to match up the complementary skills of scientists in different disciplines in different Community countries, as well as trying to build bridges between scientists, farmers and industrialists. The research would be pre-competitive in nature, and the Commission also sets down a number of criteria for the choice of specific projects. Finally the Commission promises to submit a number of other proposals, which would be complementary to the ECLAIR programme.

II. CONCLUSIONS

4. (i) The Committee on Economic and Monetary Affairs and Industrial Policy supports the Commission's presentation of a multiannual programme for biotechnology-based agro-industrial research and technological development.

(ii) The Committee believes that this programme can have a number of highly positive effects:

- strengthen the competitiveness of a sector which will be one of the keys to Europe's future economic prosperity and, which may be a net generator of new jobs on a greater scale than any other sector.

- help the Community, in particular, to face up to the American challenge in a field in which they are making huge investments.

- take advantage of existing expertise on a European-wide basis, in a sector of particular complexity requiring a particularly wide and demanding range of scientific skills.

- lead to the production of entirely new products.

- lead to new industrial outlets for existing agricultural products, whose quality can also be improved, and costs reduced.

- provide new sources of renewable raw materials for industry, with particular impacts on the chemicals, pharmaceutical and food and drinks industries.

- help to tackle problems of pollution, and to make use of waste by-products.

- help in nutrition and disease control.

(iii) The Committee considers, however, that the proposed sums of 80 million ECU for Community financial involvement, and 150 million ECU in all, are seriously inadequate for such an ambitious programme.

(iv) The Committee is also critical of the vague nature of the criteria to be applied in selecting ECLAIR projects, as set out on pages 21 and 22 of the Commission's proposals. It considers, for example, that the prospects for ultimate

economic feasibility of the proposed activity will be extremely hard to judge at the outset. Moreover, the dividing line between pre-competitive and competitive research will be even harder to draw than usual in a programme which is so based on "practical" applications and on economic feasibility. Finally, it considers that giving priority to projects "which enables a greater proportion of the total value added to be created within the rural areas where the primary agricultural materials are produced" is a noble but not necessarily very practical objective. The economics of placing sophisticated biotechnological plants in rural areas may be satisfactory for certain products in certain regions but probably not in the majority of cases.

- (v) The Committee also considers that the ECLAIR programme can only fully succeed if complementary measures are taken by the Commission, and the right environment provided for investment.
- (vi) It recognises, in particular, that there is a degree of public concern about certain aspects of biotechnology, but would also underline the central point that if biotechnology related industries are to invest they must be secure in the knowledge that their products will not be banned unless there are sound scientific reasons for so doing.
- (vii) The Committee notes with concern, moreover, the Commission's remarks (page 11) that the legal-scientific regime in Europe concerning biotechnology is in some respects less favourable than those available elsewhere. It calls, in particular, for rapid presentation of Community legislative proposals to harmonise protection of intellectual property in biotechnology.
- (viii) The Committee also notes the Commission's comments (page 9) that industrialists are hesitant to invest in certain agricultural sector areas because they are so subject to public policy intervention and control, and that national and

Community policies may have to be adapted as a consequence. The Committee calls for further clarification on this point from the Commission.

- (ix) The Committee would also request more information from the Commission on its proposed second proposal dealing specifically with food industry technologies. It would like to know more about the scope of this second proposal, and how it will fit in with the ECLAIR proposal.

OPINION

(Rule 120 of the Rules of Procedure)

of the Committee on the Environment, Public Health and Consumer Protection

Draftsman: Mr Gerhard SCHMID

On 16 May 1988, the Committee on the Environment, Public Health and Consumer Protection appointed Mr Gerhard SCHMID draftsman of the opinion.

The Committee considered the draft opinion at its meeting of 11 July 1988. It adopted the draft opinion on 12th July 1988 unanimously.

The following took part in the vote: Mrs WEBER, Chairman ; Mrs SCHLEICHER, Vice-chairman ; Mr ROELANTS du VIVIER, Vice-chairman ; Mr SCHMID, Draftsman ; Mr BOMBARD, Mr CANO PINTO, Mr COIMBRA MARTINS (deputizing Mr Hughes), Mr COLLINS, Mr ELLIOTT (deputizing Mrs Gredal), Mr GRAZIANI, Mrs LE ROUX (deputizing Mr Ivers), Mrs LLORCA VILAPLANA, Mr PEARCE (deputizing for Mr Cottrell), Mrs SQUARCIALUPI, Mr VALVERDE, Mr VAZQUEZ FOUZ (deputizing Mrs Tongue), Mr VITTINGHOFF

Draft opinion on the proposal for a Council decision to adopt a first multi-annual programme (1988-1993) for biotechnology-based agro-industrial research and technological development 'ECLAIR' (COM(87) 667 final).

1. The aims of ECLAIR

The programme aims to stimulate competitive developments in Europe:

- opening up new possibilities for European agriculture;
- developing new opportunities for European industry;
- making use of European strengths in life sciences and biotechnology.

Europe is the world's largest importer of agricultural products and its wealth is built on trade. Its comparative advantages include better infrastructure (especially its science base). Hence its exports in the agricultural sector are of a higher degree of sophistication than its imports: virus-free seeds or plant disease-free livestock, and processed foods are examples of high quality products. ECLAIR aims to maintain and expand these advantages.

Consequently, the programme does not have a strong focus on research and development to promote environmental benefits. The Commission's proposal does, however, give a number of examples in which more economic efficiency can be accompanied by positive effects on the environment. The programme is based on the idea of cost-sharing between industry and the Community. Hence its framework is more determined by economic considerations than by the political aim of protecting the environment. It is quite clear from the answers provided by industry to the Commission's 'call for expressions of interest' that only about 8% of potential contractors are interested in projects with an environmental background.

2. Possible negative impact on the environment

The programme aims at more efficiency and new possibilities for agriculture. More fertilizers, more pesticides and a more intensive use of soil could be the outcome. Other destructive effects on ecosystems could happen (for example, the impact of DDT on certain wild animals). This is not a necessary consequence but is at least a danger. Therefore an assessment of the environmental impact of the research projects should become an integral part of the programme.

3. Release of genetically manipulated micro-organisms

Given the emphasis of the programme on the use of modern methods in the life sciences and biotechnology, ECLAIR will probably involve the experimental

release of genetically manipulated organisms. The Commission has made quite clear that any such release would be subject to the national laws in force and would therefore have been subject to corresponding prior evaluation and experiment. However, the safety standards in the different Member States of the Community are different. Therefore the Committee feels that research involving such a release should not be financed by the Community so long as the proposed EEC-Regulation on the controlled release of genetically modified organisms has not come into force.

The Committee on the Environment, Public Health and Consumer Protection therefore proposes the following amendments to the Commission's text:

Text proposed by the Commission

Text proposed by the Committee on the
Environment, Public Health and
Consumer Protection

Preamble and Recitals - unchanged
Articles 1 and 2 - unchanged

Amendment No. 1

Insert new Article 3:

Each project within the ECLAIR programme shall be required to submit a contingent environmental impact assessment before approval, as defined in Annex III.

rest of articles re-numbered

Annex I - unchanged

Annex II, point 4.3

Amendment No. 2

replace by the following:

4.3 that throughout the execution of the programme the projects should have taken adequately into consideration the conservation, enhancement of nature and environmental issues.

4.3 that each project within the programme should have submitted at the outset a satisfactory contingent environmental impact assessment as defined in Annex III.

Text proposed by the Commission

Text proposed by the Committee on the
Environment, Public Health and
Consumer Protection

Annex II - rest unchanged

Amendment No. 3

Add a new Annex III as follows:

Annex III

Contingent Environmental Impact Assessment

Council Directive 85/337 EEC¹

on the assessment of certain public and private
projects on the environment, defines the scope
of environmental impact assessment in its
articles 3 and 5. A contin-
gent environmental impact assessment is defined
as an environmental impact assessment of the
possible developed outcomes of a research and
development project.

¹ OJ No. L.175, 5.7.85, pps. 40-48

