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Committee on Budgets

2011/0406(COD)

9.5.2012

DRAFT OPINION

of the Committee on Budgets

for the Committee on Development

on the proposal for a regulation of the European Parliament and of the Council establishing a financing instrument for development cooperation.
(COM(2011)0840 – C7-0493/2011 – 2011/0406(COD))

Rapporteur: Jan Kozłowski

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SHORT JUSTIFICATION

The EU is the world's largest donor of development assistance, and together with its Member States it provides more than half of the total aid to developing countries. Furthermore, at the last Millennium Development Goal Summit the EU reconfirmed its intention to keep its leading position in development assistance by pledging to meet the 07.% GNI target by 2015 and to assess progress towards this goal every year.

The present Commission proposal for a regulation establishing a financial instrument for development cooperation will provide the Union with the necessary tools to meet its commitments for the 2014 – 2020 Multiannual Financial Framework. The new DCI will share the goals of its predecessor, notably the objective of eradicating poverty in partner countries and regions. The geographic scope of the new DCI will build on the existing instrument and will provide a better legal basis for the implementation of cross-regional initiatives, such as the Joint Africa – EU Strategy.

Development assistance at Union level is especially valuable due to the impartial position of the EU to deliver external aid and to complement Member States efforts in this direction. In times of austerity, a more coordinated and integrated approach between EU and Member States' policy programming is ever more important to tackle the global challenges more effectively and the current Commission proposal aims at strengthening this cooperation capacity further. Furthermore, the regulatory environment would be simplified for the next programming period, which should provide easier access to financing for beneficiaries. Your rapporteur wants to stress that EU spending of development aid must be measurable, accountable and designed to have maximum impact on poverty eradication.

The Commission also proposes a more differentiated approach to targeting union assistance where it is most needed and where it would have the biggest impact.

Budgetary implication

The Commission proposes an increase of 17.87% in the financial allocations available for the DCI for the next MFF (from EUR 17 474 mln in 2007 – 2013 to EUR 20 597 in 2014 – 2020). Contrary to the current instrument, the new regulation envisages leaving some funds unallocated to tackle unforeseen events and challenges.

The indicative financial allocations for the period 2014 – 2020 are given in Annex VII to the proposal for Regulation, which can be amended or updated by the Commission through a delegated act. Approximately 31.8 % of the DCI global public goods and challenges thematic allocations for the next MFF will be directed towards environment and climate change, 12.7% for sustainable energy measures, 20% will be earmarked of human development, 28.4% for food security and sustainable agriculture, and 7% for migration and asylum. Your rapporteur would like to underline that allocations for fighting climate change should not jeopardise the main tasks and objectives of development cooperation, namely poverty eradication and attainment of the Millennium Development Goals as well as promotion of democracy, human rights, rule of law and good governance. All these are preconditions for establishing a functioning and stable market economy in the developing countries.

A considerable percentage of European development aid is channelled through the Commission while most of aid is directly allocated by Member States. At the same time, the Union is better placed in the position of ensuring predictability of development support and identifying budgets and spending priorities on long term basis than Member States, because of its multiannual planning provided in the MFF. This competitive advantage should be capitalised and any potential overlaps between MS and Union assistance should be avoided.

Additionally, funding for higher education will be provided through the framework of the "Erasmus for All" programme, through 2 multiannual allocations to be reflected in the multiannual indicative programming of the DCI. Your rapporteur would like to replace this indicative amount with a relative percentage in view of the uncertainty concerning the final figures to be allocated to the participating external action instruments.

AMENDMENTS

The Committee on Budgets calls on the Committee on Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Draft legislative resolution
Paragraph 1 a (new)

Draft legislative resolution	*Amendment*
	1a. Points out that the financial envelope specified in the legislative proposal constitutes only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

Or. en

Amendment 2

Draft legislative resolution
Paragraph 1 b (new)

Draft legislative resolution	*Amendment*
	1b. Recalls its resolution of 8 June 2011

on "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe"[1]; reiterates that sufficient additional resources are needed in the next MFF in order to enable the Union to fulfil its existing policy priorities and the new tasks provided for in the Treaty of Lisbon, as well as to respond to unforeseen events; challenges the Council, if it does not share this approach, to clearly identify which of its political priorities or projects could be dropped altogether, despite their proven European added value;

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[1] Texts adopted, P7_TA(2011)0266.

Or. en

Amendment 3

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission	*Amendment*
	1a.This Regulation should lay down, for the entire duration of the instrument, a financial envelope constituting the prime reference, within the meaning of point [] of the Interinstitutional Agreement of XX/201Z between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, for the budgetary authority during the annual budgetary procedure.

Or. en

Amendment 4

Proposal for a regulation
Recital 1 b (new)

Text proposed by the Commission	*Amendment*
	1b.Improving implementation and quality of spending should constitute guiding principles for achieving the objectives of the instrument while ensuring optimal use of the financial resources.

Or. en

Amendment 5

Proposal for a regulation
Recital 1 c (new)

Text proposed by the Commission	*Amendment*
	1c. It is important to ensure sound financial management of the instrument and its implementation in the most effective and user-friendly manner possible, while also ensuring legal certainty and the accessibility of the instrument to all participants.

Or. en

Amendment 6

Proposal for a regulation
Recital 5

Text proposed by the Commission	*Amendment*
(5) The Union also aims to ensure coherence with other areas of its external action. This should be ensured when formulating the Union's development cooperation policy and its strategic planning programming and implementation	(5) The Union also aims to ensure coherence with other areas of its external action ***as well as its internal policies***. This should be ensured when formulating the Union's development cooperation policy and its strategic planning programming and

of measures.	implementation of measures.

Or. en

Amendment 7

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8) The Union and the Member States should improve the consistency and the complementarity of their respective policies on development cooperation, in particular by responding to partner countries' and regions' priorities at country and regional level. To ensure that the Union's development cooperation policy and that of the Member States complement and reinforce each other, it is appropriate to provide for joint programming procedures which should be implemented whenever possible and relevant.	(8) The Union and the Member States should improve the consistency**,** ***coordination*** and the complementarity of their respective policies on development cooperation, in particular by responding to partner countries' and regions' priorities at country and regional level. To ensure that the Union's development cooperation policy and that of the Member States complement and reinforce each other, it is appropriate to provide for joint programming procedures which should be implemented whenever possible and relevant.

Or. en

Amendment 8

Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission	*Amendment*
	Aid shall also focus on reinforcing the partner countries' fiscal policy and promoting mobilisation of domestic revenue which shall lead to the reduction of poverty and of aid dependency in the future, while fostering sustainable economic growth and social development.

Or. en

Amendment 9

Proposal for a regulation
Article 2 – paragraph 3 a (new)

Text proposed by the Commission	*Amendment*
	3a. Eligibility criteria for budget support shall be clearly and objectively defined and their strict application shall be ensured and scrutinized by the budgetary authority.

Or. en

Amendment 10

Proposal for a regulation
Article 3 – paragraph 3

Text proposed by the Commission	*Amendment*
The following cross-cutting issues shall be mainstreamed in all programmes: the promotion of human rights, gender equality, women empowerment, nondiscrimination, democracy, good governance, the rights of the child and indigenous peoples' rights, social inclusion and the rights of persons with disabilities, environmental sustainability including addressing climate change and combating HIV/AIDS.	The following cross-cutting issues shall be mainstreamed in all programmes: the promotion of human rights, ***entrepreneurship, rights of workers, environmental protection,*** gender equality, women empowerment, nondiscrimination, democracy, good governance, the rights of the child and indigenous peoples' rights, social inclusion and the rights of persons with disabilities, environmental sustainability including addressing climate change and combating HIV/AIDS.

Or. en

Amendment 11

Proposal for a regulation
Article 3 – paragraph 5

Text proposed by the Commission	*Amendment*
In implementing this Regulation, consistency shall be ensured with other areas of Union external action and with other relevant Union policies. To this end, measures financed under this Regulation, including those managed by the EIB, shall be based on the cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and the third countries and regions concerned, and on the Union's decisions, specific interests, policy priorities and strategies.	In implementing this Regulation, consistency shall be ensured with other areas of Union external action and with other relevant Union ***internal and external*** policies. To this end, measures financed under this Regulation, including those managed by the EIB, shall be based on the cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and the third countries and regions concerned, and on the Union's decisions, specific interests, policy priorities and strategies.

Or. en

Amendment 12

Proposal for a regulation
Article 3 – paragraph 6

Text proposed by the Commission	*Amendment*
The Commission and the Member States shall seek regular and frequent exchanges of information, including with other donors, and promote better donor coordination and complementarity by working towards joint multiannual programming, based on partner countries' poverty reduction or equivalent strategies, by common implementation mechanisms including shared analysis, by joint donor-wide missions and by the use of co-financing and delegated cooperation arrangements	The Commission and the Member States shall seek regular and frequent exchanges of information, including with other ***international, regional and local*** donors, and promote better donor coordination and complementarity by working towards joint multiannual programming, based on partner countries' poverty reduction or equivalent strategies, by common implementation mechanisms including shared analysis, by joint donor-wide missions and by the use of co-financing and delegated cooperation arrangements.

Or. en

Amendment 13

Proposal for a regulation
Article 3 – paragraph 10 a (new)

Text proposed by the Commission	*Amendment*
	10a.The Union shall offer particular support to local authorities and non-state actors based in the beneficiary countries.

Or. en

Amendment 14

Proposal for a regulation
Article 4 – paragraph 1 a (new)

Text proposed by the Commission	*Amendment*
	Attention shall also be given to fostering private sector development, SMEs and micro-enterprises in the beneficiary countries.

Or. en

Amendment 15

Proposal for a regulation
Article 5 – paragraph 4 a (new)

Text proposed by the Commission	*Amendment*
	4a. Actions taken under thematic programmes shall be directed mainly to those countries which do not benefit from geographical support.

Or. en

Amendment 16

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission	*Amendment*
Consistent with the overall purpose and scope, objectives and general principles of this Regulation, actions undertaken through thematic programmes shall add value to and, be complementary to, actions funded under geographic programmes.	Consistent with the overall purpose and scope, objectives and general principles of this Regulation, actions undertaken through thematic programmes shall add value to and, be complementary to, actions funded under geographic programmes. ***Thematic support offered to the countries eligible for geographical support shall not be contradictory to the priority areas set up for those countries.***

Or. en

Amendment 17

Proposal for a regulation
Article 8 – paragraph 1

Text proposed by the Commission	*Amendment*
1. The objective of the programme on civil society organisations and local authorities in development shall be to finance initiatives in the area of development by or for civil society organisations and local authorities originating from partner countries, ***the Union,*** candidate countries and potential candidates.	1. The objective of the programme on civil society organisations and local authorities in development shall be to finance initiatives in the area of development by or for ***local authorities and*** civil society organisations originating from partner countries, candidate countries and potential candidates.

Or. en

Amendment 18

Proposal for a regulation
Article 10 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The Union and its Member States shall consult each other, and other donors and development actors including representatives of civil society and regional and local authorities, at an early stage of the programming process in order to promote complementarity and consistency among their cooperation activities. This consultation ***may*** lead to joint programming between the Union and its Member States.	2. The Union and its Member States shall consult each other, and other donors and development actors including representatives of civil society and regional and local authorities, at an early stage of the programming process in order to promote complementarity and consistency among their cooperation activities. This consultation ***shall*** lead to joint programming between the Union and its Member States.

Or. en

Amendment 19

Proposal for a regulation
Article 10 – paragraph 3

Text proposed by the Commission	*Amendment*
3. ***The*** Commission shall determine the multiannual indicative allocations within each geographic programme in accordance with the general principles of this Regulation, based on the criteria laid down in Article 3(2), and taking into account, alongside the specificity of the different programmes, the particular difficulties faced by countries or regions that are in crisis, vulnerable, fragile, in conflict or disaster prone.	3. ***Without prejudice to the powers of the budgetary authority, the*** Commission shall determine the multiannual indicative allocations within each geographic programme in accordance with the general principles of this Regulation, based on the criteria laid down in Article 3(2), and taking into account, alongside the specificity of the different programmes, the particular difficulties faced by countries or regions that are in crisis, vulnerable, fragile, in conflict or disaster prone.

Or. en

Amendment 20

Proposal for a regulation
Article 10 – paragraph 4

Text proposed by the Commission	*Amendment*
4. Funds may be left unallocated. Subject to their subsequent allocation or re-allocation as provided for in Articles 11(5) and 13, the use of these funds shall be decided later in accordance with the Common Implementing Regulation.	4. Funds may be left unallocated. Subject to their subsequent allocation or re-allocation as provided for in Articles 11(5) and 13, the use of these funds shall be decided later in accordance with the Common Implementing Regulation***, having due regard to the will of the budgetary authority to scrutinize all proposed deployments of funds from the reserve***.

Or. en

Amendment 21

Proposal for a regulation
Article 10 – paragraph 4 a (new)

Text proposed by the Commission	*Amendment*
	4a. In view of the fact that the predictability of aid flows is one of the most important factors in ensuring the quality of spending and that it enables the partner countries to carry out long-term planning of expenditures and to sustain improvements in sectoral policies, such improvements shall be reinforced by the partner countries' fiscal policy and by mobilisation of domestic revenue which, in the long-term, shall lead to the reduction of aid dependency.

Or. en

Amendment 22

Proposal for a regulation
Article 14 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The procedure referred to in paragraph 1 shall not apply to non-substantial modifications to strategy papers and multiannual indicative programmes, making technical adjustments, reassigning funds within the indicative allocations per priority area, or increasing or decreasing the size of the initial indicative allocation ***by less than 20%,*** provided that these modifications do not affect the priority areas and objectives set out in these documents. In such case, adjustments shall be communicated to the European Parliament and to the Council within one month.	2. The procedure referred to in paragraph 1 shall not apply to non-substantial modifications to strategy papers and multiannual indicative programmes, making technical adjustments, reassigning funds within the indicative allocations per priority area, or increasing or decreasing the size of the initial indicative allocation ***within the relevant percentage limit set out in Article 2(2) of the Common Implementing Regulation,*** provided that these modifications do not affect the priority areas and objectives set out in these documents. In such case, adjustments shall be communicated to the European Parliament and to the Council within one month.

Or. en

Amendment 23

Proposal for a regulation
Article 14 a (new)

Text proposed by the Commission	*Amendment*
	Article 14a
	Coherence and complementarity of Union assistance
	1. In implementing this Regulation, coherence shall be ensured with other areas and instruments of the Union external action, as well as other relevant Union policies.
	2. The Union and the Member States shall coordinate their respective support programmes with the aim of increasing

the effectiveness and efficiency in the delivery of support and policy dialogue in line with the established principles for strengthening operational coordination in the field of external support, and for harmonizing policies and procedures. Coordination shall involve regular consultations and frequent exchanges of relevant information during the different phases of the support cycle.

3. The Union shall, in liaison with the Member States, take the necessary steps to ensure proper coordination and cooperation with multilateral and regional organisations and entities, including, but not limited to European financial institutions, international financial institutions, United Nations agencies, funds and programmes, private and political foundations and non-Union donors.

Or. en

Amendment 24

Proposal for a regulation
Article 16

Text proposed by the Commission	*Amendment*
Without prejudice to the provisions on suspension of aid in partnership and cooperation agreements with partner countries and regions, where a partner country fails to observe the principles referred to in Article 3(1), the Union shall invite the partner country to hold consultations in view of finding a solution acceptable to both parties, except in cases of special urgency. Where consultations with the partner country do not lead to a solution acceptable to both parties, or if consultations are refused or in cases of special urgency, the Council may take appropriate measures in accordance with	Without prejudice to the provisions on suspension of aid in partnership and cooperation agreements with partner countries and regions, where a partner country fails to observe the principles referred to in Article 3(1), the Union shall invite the partner country to hold consultations in view of finding a solution acceptable to both parties, except in cases of special urgency. Where consultations with the partner country do not lead to a solution acceptable to both parties, or if consultations are refused or in cases of special urgency, the Council may take appropriate measures in accordance with

Article 215(1) of the Treaty on the Functioning of the European Union, which may include full or partial suspension of Union assistance.	Article 215(1) of the Treaty on the Functioning of the European Union, which may include full or partial suspension of Union assistance. ***The European Parliament shall be fully and immediately informed of any decision taken in this respect.***

Or. en

Amendment 25

Proposal for a regulation
Article 20 – paragraph 3 - subparagraph 1

Text proposed by the Commission	*Amendment*
3. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount ***of EUR 1 812 100 000 from the different external instruments*** (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Preaccession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.	3. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount ***corresponding to 2% of the financial allocations available for the participating instruments*** (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Preaccession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

Or. en