



EUROPEAN PARLIAMENT

2009 - 2014

Committee on International Trade

2011/0405(COD)

25.6.2012

OPINION

of the Committee on International Trade

for the Committee on Foreign Affairs

on the proposal for a Regulation of the European Parliament and of the Council
establishing a European Neighbourhood Instrument
(COM(2011)0839 – C7-0492/2011 – 2011/0405(COD))

Rapporteur: María Auxiliadora Correa Zamora

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SHORT JUSTIFICATION

The aim of the European Neighbourhood Policy (ENP) is to establish an area of prosperity and good relations with the EU's neighbour countries. Under the ENP, the EU offers its neighbours a privileged relationship, building upon a mutual commitment to values such as democracy and human rights, the rule of law, good governance, market economy principles and sustainable development. The policy also provides for political partnerships and deeper economic integration, increased mobility and better people-to-people contacts.

The ENP was developed in 2004 and covers 16 partners to the east and south of the EU's borders, namely Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, the Republic of Moldova, Morocco, the occupied Palestinian territory, Syria, Tunisia and Ukraine. It is funded by a dedicated Instrument, the European Neighbourhood and Partnership Instrument (ENPI), which covers these 16 partner countries and Russia.

Changes to the EU's relationship with its neighbours and developments since the ENP was set up, particularly the advent of the Arab Spring, have given the EU cause to redefine its strategic policy framework for relations with its neighbour countries. The new approach calls for greater support to partners committed to building democratic societies and undertaking reforms, in line with the 'more for more' and 'mutual accountability' principles.

The European Neighbourhood Instrument has aptly complemented the ENP, but should be adapted to suit the new realities, and set up in such a way as to ensure that the principles enshrined in the new Neighbourhood Policy – such as 'more for more' – are implemented more effectively.

More for More

The type and amount of support provided to each partner country will be determined on the basis of commitment to and progress with democratic reforms and the structural reforms required to build the foundations of a market-based economy.

Differentiation

The funds used to finance the Instrument shall be differentiated in form and amounts according to the economic situation and the needs of each of our neighbours, as well as their commitment to reforms and the progress they have made in implementing them, in line with the 'more for more' principle.

Streamlining

The rapporteur endorses the Commission's proposals to streamline procedures by simplifying the regulatory environment, making it easier for regions, partner countries, civil society organisations and SMEs to receive EU assistance, simplifying and shortening the programming process and ensuring the swifter adoption of implementing measures and swifter delivery of EU assistance.

Specific objectives of EU support

The scope of the Instrument covers the implementation of partnership and cooperation agreements, association agreements, deep and comprehensive free trade agreements (DCFTAs) or other relevant agreements, the promotion of good governance and equitable social and economic development.

The list of thematic areas of cooperation needs to be pared down to better reflect the core objectives and focus of the ENP. The rapporteur therefore endorses the Commission's approach, and would like to put forward key objectives with a view to establishing an area of prosperity and good relations with the EU's neighbour countries.

The rapporteur proposes for the ENI to support the principles of a market economy, the opening-up of markets in goods and services, business cooperation, private sector development, particularly by fostering SMEs and entrepreneurship, legal certainty for investment from both sides, worker employability, the fight against corruption, tax fraud and money laundering, energy and transport interconnections and the strengthening of social security networks.

Suspension

The EU must be both consistent and demanding in its approach to neighbourhood policy and in its commitment to establishing an area of prosperity and democracy. The rapporteur proposes for serious and repeated breaches of WTO rules or EU trade agreements to constitute sufficient grounds for the full or partial suspension of EU aid.

AMENDMENTS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) The Union seeks to promote, develop and consolidate the values of liberty, democracy, respect for human rights and fundamental freedoms, principles of equality *and* the rule of law on which it is

Amendment

(3) The Union seeks to promote, develop and consolidate the values of liberty, democracy, respect for human rights and fundamental freedoms, principles of equality, the rule of law *and good*

founded through dialogue and cooperation with third countries.

governance on which it is founded through dialogue and cooperation with third countries.

Amendment 2

Proposal for a regulation Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) Article 206 of the TFEU provides that the Union shall contribute, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and foreign direct investment, and the lowering of customs and other barriers.

Amendment 3

Proposal for a regulation Recital 5

Text proposed by the Commission

Amendment

(5) Under the European Neighbourhood Policy, the Union offers Neighbourhood countries a privileged relationship, building upon a mutual commitment to and promotion of the values of democracy and human rights, the rule of law, good governance and the principles of market economy and sustainable development.

(5) Under the European Neighbourhood Policy, the Union offers Neighbourhood countries a privileged relationship, building upon a mutual commitment to and promotion of the values of democracy and human rights, the rule of law, good governance, the principles of ***a well-functioning social*** market economy and sustainable development, , ***which should facilitate the current transitional processes.***

Amendment 4

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) In order to enhance sub-regional, regional and Neighbourhood-wide collaboration, as well as cross-border cooperation, a special emphasis should be placed on trade policy and the opportunities that this affords to boost the development of partner countries.

Amendment 5

Proposal for a regulation Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) Concluding agreements on deep and comprehensive free trade areas (DCFTA) between the Union and the Neighbourhood countries is a priority that should lead to the gradual and balanced opening-up of the goods and services markets of both parties, ensure that appropriate mechanisms are in place for implementing the measures needed to achieve that end and promote the adoption of plant health and environmental standards equivalent to those of the Union, as well as minimum social and labour standards. In this respect, the European Neighbourhood Instrument could also be a useful tool in preparations for the implementation of those agreements once adopted.

Amendment 6

Proposal for a regulation Recital 17 b (new)

Text proposed by the Commission

Amendment

(17b) The core objectives of the Union's Neighbourhood Policy must include

*opening up public procurement markets
and ensuring legal certainty for
investments from both sides.*

Amendment 7

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) European Union external support has increasing financing needs but the economic and budgetary situation of the Union limits the resources available for such support. The Commission must therefore seek the most efficient use of available resources by using financial instruments with leverage effect. Such effect could be increased by enabling the use and re-use of funds invested and generated by financial instruments.

Amendment

(19) European Union external support has increasing financing needs but the economic and budgetary situation of the Union limits the resources available for such support. The Commission must therefore seek the most efficient use of available resources by using financial instruments with leverage effect. Such effect could be increased ***by making better use of the leveraging capacity of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD) and*** by enabling the use and re-use of funds invested and generated by financial instruments.

Amendment 8

Proposal for a regulation Recital 21

Text proposed by the Commission

(21) Gender equality and anti-discrimination ***should*** be a cross-cutting objective in all actions undertaken under this Regulation.

Amendment

(21) Gender equality and anti-discrimination ***must*** be a cross-cutting objective in all actions undertaken under this Regulation.

Amendment 9

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) The Union is committed to promote in relations with its partners worldwide decent work as well as ratification and effective implementation of the internationally recognised labour standards and multilateral environment agreements, in relations with its partners worldwide.

Amendment

(22) The Union is committed to promote in relations with its partners worldwide decent work ***and social justice*** as well as ratification and effective implementation of the internationally recognised labour standards and multilateral environment agreements, in relations with its partners worldwide, ***as well as good governance and the fight against corruption, tax fraud and money laundering.***

Amendment 10

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

1. The Union aims to establish an area of prosperity and good neighbourliness involving the European Union and the countries and territories listed in the Annex to this Regulation (hereinafter ‘the partner countries’) by developing a special relationship.

Amendment

1. The Union aims to establish an area of prosperity, ***social justice*** and good neighbourliness involving the European Union and the countries and territories listed in the Annex to this Regulation (hereinafter ‘the partner countries’) by developing a special relationship.

Amendment 11

Proposal for a regulation Article 2 – paragraph 4

Text proposed by the Commission

4. Support under this Regulation shall promote enhanced political cooperation and progressive economic integration between the Union and the partner countries and, in particular, the implementation of partnership and cooperation agreements, association

Amendment

4. Support under this Regulation shall promote enhanced political cooperation and progressive economic integration between the Union and the partner countries and, in particular, the implementation of partnership and cooperation agreements, association

agreements or other existing and future agreements, and jointly agreed action plans.

agreements, ***deep and comprehensive free trade agreements (DCFTAs)*** or other existing and future agreements, and jointly agreed action plans.

Amendment 12

Proposal for a regulation

Article 2 – paragraph 2 – point a

Text proposed by the Commission

(a) promoting human rights and fundamental freedoms, the rule of law, principles of equality, establishing deep and sustainable democracy, promoting good governance and developing a thriving civil society including social partners;

Amendment

(a) promoting human rights and fundamental freedoms, the rule of law, principles of equality, establishing deep and sustainable democracy, ***social market economy principles***, promoting good governance, ***and fighting against corruption, tax fraud and money laundering***, and developing a thriving civil society including social partners

Amendment 13

Proposal for a regulation

Article 2 – paragraph 2 – point b

Text proposed by the Commission

(b) achieving progressive integration ***into*** the Union internal market and enhanced sector and cross-sectoral co-operation including through legislative approximation and regulatory convergence towards Union and other relevant international standards, related institution building and investments, notably in interconnections;

Amendment

(b) achieving ***the*** progressive integration ***and the increasing of economic exchanges with*** the Union internal market and enhanced sector and cross-sectoral co-operation, ***in particular through mutual opening of markets for goods and services***, including through legislative approximation and regulatory convergence towards Union and other relevant international standards, related institution building and investments, notably in interconnections ***of energy and transport***.

Amendment 14

Proposal for a regulation

Article 2 – paragraph 2 – point c

Text proposed by the Commission

(c) creating conditions for well managed mobility of people and promotion of people-to-people contacts;

Amendment

(c) creating conditions for well managed mobility of people, ***active participation of civil society and social stakeholders*** and promotion of people-to-people contacts ***as well as business cooperation while ensuring that resources are used more efficiently to foster a leverage effect on regional integration and contribute to the resolution of internal conflicts and a reduction in migration;***

Amendment 15

Proposal for a regulation

Article 2 – paragraph 2 – point d

Text proposed by the Commission

(d) sustainable and inclusive development in all aspects, poverty reduction, ***including*** through ***private-sector development;*** promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience;

Amendment

(d) sustainable and inclusive development in all aspects, poverty reduction through ***strengthening social security networks, promoting decent work and the ratification and effective implementation of international labour standards, improving worker employability and training and developing public services and the private sector, particularly by fostering SMEs and entrepreneurship;*** promotion of internal economic, social and territorial cohesion, rural development, climate action and disaster resilience;

Amendment 16

Proposal for a regulation

Article 2 – paragraph 2 – point d a (new)

Text proposed by the Commission

Amendment

(da) ensuring that the markets of the Neighbourhood countries are opened up

to European companies;

Amendment 17

Proposal for a regulation Article 2 – paragraph 2 – point e (new)

Text proposed by the Commission

Amendment

(e) creating a favourable climate for foreign direct investment ensuring legal certainty for investment from both sides;

Amendment 18

Proposal for a regulation Article 2 – paragraph 6

Text proposed by the Commission

Amendment

6. The achievement of these objectives shall be measured using notably the relevant EU periodic reports on the implementation of the policy, and for paragraphs 2(a), (d) and (e), the relevant indicators established by international organisations and other relevant bodies; for paragraphs 2(b), (c) and (d) the uptake of the **EU** regulatory framework by the partner countries as relevant; for paragraphs 2(c) and (f), the number of relevant agreements and cooperation actions. The indicators will include, among others, adequately monitored democratic elections, level of corruption, trade flows, indicators enabling measuring internal economic disparities, including employment levels.

6. The achievement of these objectives shall be measured using notably the relevant EU periodic reports on the implementation of the policy, and for paragraphs 2(a), (d) and (e), the relevant indicators established by international organisations and other relevant bodies; for paragraphs 2(b), (c) and (d) the uptake of the **Union** regulatory framework by the partner countries as relevant; for paragraphs 2(c) and (f), the number of relevant agreements and cooperation actions. The indicators will include, among others, adequately monitored democratic elections, ***pluralism or concentration of the media***, level of corruption, trade flows ***and investments***, indicators enabling measuring ***tendencies in*** internal economic ***and social*** disparities, including employment levels.

Amendment 19

Proposal for a regulation Article 3 – paragraph 1

Text proposed by the Commission

1. The partnership and cooperation agreements, the association agreements and other existing or future agreements that establish a relationship with partner countries, corresponding Communications, Council conclusions and European Parliament Resolutions as well as relevant conclusions of ministerial meetings with the partner countries shall constitute the overall policy framework for programming and implementing Union support under this Regulation.

Amendment

1. The partnership and cooperation agreements, the association agreements ***deep and comprehensive free trade agreements (DCFTAs)*** and other existing or future agreements that establish a relationship with partner countries, corresponding Communications, Council conclusions and European Parliament Resolutions as well as relevant conclusions of ministerial meetings with the partner countries shall constitute the overall policy framework for programming and implementing Union support under this Regulation.

Amendment 20

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

1. Union support provided under this Regulation to each partner country shall be differentiated in form and amounts according to the partner country's commitment to reforms and its progress in implementing these reforms. Such differentiation shall reflect the level of ambition of the country's partnership with the Union, its progress in building deep and sustainable democracy, its progress in implementing agreed reform objectives, the country's needs and capacities, and the potential impact of Union support.

Amendment

1. Union support provided under this Regulation to each partner country shall be differentiated in form and amounts according to the partner country's commitment to reforms and its progress in implementing these reforms. Such differentiation shall reflect the level of ambition of the country's partnership with the Union, its progress in building deep and sustainable democracy, ***its observance, respect for and compliance with the fundamental principles of the rule of law and a social market economy***, its progress in implementing agreed reform objectives, the country's needs and capacities, and the potential impact of Union support.

Amendment 21

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

2. Union support under this Regulation shall, in principle, be established in partnership with the beneficiaries. The partnership shall involve as appropriate, national, regional and local authorities, other stakeholders, civil society, social partners **and other non-state actors** in preparing, implementing and monitoring Union support.

Amendment

2. Union support under this Regulation shall, in principle, be established in partnership with the beneficiaries. The partnership shall involve as appropriate, national, regional and local authorities, other stakeholders, civil society, social partners in preparing, implementing and monitoring Union support.

Amendment 22

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. The Commission, the Member States and the European Investment Bank (EIB) shall ensure coherence between support provided under this Regulation and other support provided by the Union, the Member States **and the European Investment Bank**.

Amendment

2. The Commission, the Member States and the European Investment Bank (EIB) shall ensure coherence between support provided under this Regulation and other support provided by the Union, the Member States, **the EIB and the EBRD**.

Amendment 23

Proposal for a regulation Article 5 – paragraph 4

Text proposed by the Commission

4. 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 European financial institutions, **international financial institutions**, United Nations agencies, funds and programmes, private and

Amendment

4. 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 European financial institutions, United Nations agencies, funds and programmes, private and political foundations and non-European Union

political foundations and non-European Union donors.

donors, ***fully respecting the sovereignty and the economic choices of each country;***

Amendment 24

Proposal for a regulation Article 7 – paragraph 9

Text proposed by the Commission

9. In the event of crises or threats to democracy, the rule of law, human rights and fundamental freedoms, or of natural or man-made disasters, an ad hoc review of the programming documents may be conducted. Such emergency review shall ensure that coherence between Union support provided under this Regulation and support provided under other Union financial instruments is maintained. An emergency review may lead to the adoption of revised programming documents. Where this is the case, the Commission shall send the revised programming documents to the European Parliament and to the Council for information within one month of their adoption.

Amendment

9. In the event of crises or threats to democracy, the rule of law, human rights and fundamental freedoms, ***of serious and repeated breaches of World Trade Organisation (WTO) rules or EU trade agreements*** or of natural or man-made disasters, an ad hoc review of the programming documents may be conducted. Such emergency review shall ensure that coherence between Union support provided under this Regulation and support provided under other Union financial instruments is maintained. An emergency review may lead to the adoption of revised programming documents. Where this is the case, the Commission shall send the revised programming documents to the European Parliament and to the Council for information within one month of their adoption.

Amendment 25

Proposal for a regulation Article 17

Text proposed by the Commission

Without prejudice to the provisions on the suspension of aid in partnership and cooperation agreements and association agreements with partner countries and regions, where a partner country fails to

Amendment

Without prejudice to the provisions on the suspension of aid in partnership and cooperation agreements and association agreements with partner countries and regions, where a partner country fails to

observe the principles of democracy, the rule of law and respect for human rights and fundamental freedoms, the Union shall invite the country concerned to hold consultations in view of finding a solution acceptable to both parties, except in cases of special urgency. Where consultation with the country concerned does not lead to a solution acceptable to both parties, or if consultations are refused or in case 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 support.

observe the principles of democracy, the rule of law and respect for human rights and fundamental freedoms, ***or commits serious and repeated breaches of WTO rules or EU trade agreements***, the Union shall invite the country concerned to hold consultations in view of finding a solution acceptable to both parties, except in cases of special urgency. Where consultation with the country concerned does not lead to a solution acceptable to both parties, or if consultations are refused or in case 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 support.

PROCEDURE

Title	Establishing a European Neighbourhood Instrument
References	COM(2011)0839 – C7-0492/2011 – 2011/0405(COD)
Committee responsible Date announced in plenary	AFET 17.1.2012
Opinion by Date announced in plenary	INTA 17.1.2012
Rapporteur Date appointed	María Auxiliadora Correa Zamora 29.2.2012
Discussed in committee	30.5.2012
Date adopted	21.6.2012
Result of final vote	+: 22 –: 3 0: 4
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, John Attard-Montalto, Maria Badia i Cutchet, Daniel Caspary, María Auxiliadora Correa Zamora, Marielle de Sarnez, Yannick Jadot, Metin Kazak, Franziska Keller, Bernd Lange, David Martin, Paul Murphy, Cristiana Muscardini, Franck Proust, Godelieve Quisthoudt-Rowohl, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Gianluca Susta, Iuliu Winkler, Paweł Zalewski
Substitute(s) present for the final vote	Amelia Andersdotter, George Sabin Cutaş, Syed Kamall, Elisabeth Köstinger, Marietje Schaake, Konrad Szymański
Substitute(s) under Rule 187(2) present for the final vote	Françoise Castex, Marielle Gallo, Lidia Joanna Geringer de Oedenberg