

EUROPEAN PARLIAMENT

1999



2004

Session document

FINAL
A5-0312/2003

8 October 2003

*****I**

REPORT

on the proposal for a European Parliament and Council regulation concerning Community cooperation with Asian and Latin American countries and amending Council Regulation (EC) No 2258/96 (COM(2002) 340 – C5-0368/2002 – 2002/0139(COD))

Committee on Development and Cooperation

Rapporteur: Marieke Sanders-ten Holte

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Amendments to a legislative text

In amendments by Parliament, amended text is highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the legislative text for which a correction is proposed, to assist preparation of the final text (for instance, obvious errors or omissions in a given language version). These suggested corrections are subject to the agreement of the departments concerned.

CONTENTS

	Page
PROCEDURAL PAGE	4
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	70
OPINION OF THE COMMITTEE ON BUDGETS	74
OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY.....	81

PROCEDURAL PAGE

By letter of 24 July 2002 the Commission submitted to Parliament, pursuant to Article 251(2) and Article 179(1) of the EC Treaty, the proposal for a European Parliament and Council regulation on concerning Community cooperation with Asian and Latin American countries and amending Council Regulation (EC) No 2258/96 (COM (2002) 340 – 2002/0139(COD)).

At the sitting of 2 September 2002 the President of Parliament announced that he had referred this proposal to the Committee on Development and Cooperation as the committee responsible and the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, the Committee on Budgets and the Committee on Industry, External Trade, Research and Energy for their opinions (C5-0368/2002).

The Committee on Development and Cooperation appointed Marieke Sanders-ten Holte rapporteur at its meeting of 2 October 2002.

It considered the Commission proposal and draft report at its meetings of 19 March, 20 May, 3 June, 11 June and 1 July 2003.

At the last meeting it adopted the draft legislative resolution by 26 votes to , with 2 abstentions.

The following were present for the vote: Joaquim Miranda, chairman; Marieke Sanders-ten Holte, vice-chairman and rapporteur and Margrietus J. van den Berg, vice-chairman; Yasmine Boudjenah, Marie-Arlette Carlotti, Carmen Cerdeira Morterero (for Maria Carrilho), John Alexander Corrie, Gianfranco Dell'Alba (for Marco Pannella), Nirj Deva, Fernando Fernández Martín, Vitaliano Gemelli, Richard Howitt (for Linda McAvan), Glenys Kinnock, Karsten Knolle, David W. Martin (for Jean-Pierre Bebear), Miguel Angel Martínez Martínez, Hans Modrow, Philippe Morillon (for Anders Wijkman), Juan Andrés Naranjo Escobar (for John Bowis), Seán Ó Neachtain (for Isabelle Caullery), Didier Rod, José Ignacio Salafranca Sánchez-Neyra (for Luigi Cesaro), Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco, Michel-Ange Scarbonchi (for Luisa Morgantini), Maj Britt Theorin, Elena Valenciano Martínez-Orozco (for Wolfgang Kreissl-Dörfler) and Jürgen Zimmerling. The opinions of the Committee on Budgets and the Committee on Industry, External Trade, Research and Energy are attached; the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the Committee on Budgetary Control decided on 9 and 10 September 2002 respectively not to deliver an opinion.

The report was tabled on 8 October 2003.

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

On the proposal for a European Parliament and Council regulation concerning Community cooperation with Asian and Latin American countries and amending Council Regulation (EC) No 2258/96 (COM(2002) 340 – C5-0368/2002 – 2002/0139(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2002) 340¹),
 - having regard to Article 251(2) of the EC Treaty and Article 179(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0368/2002),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Budgets and the Committee on Industry, External Trade, Research and Energy (A5-0312/2003),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission and the Council to deal with the amendments to the proposal for a Regulation concerning Community cooperation with Asian and Latin American countries and amending Council Regulation (EC) No 2258/96 in two separate Regulations, applicable to the countries of Asia and Latin American respectively, and consequently to incorporate the amendments adopted by Parliament into the regulation to which they correspond;
 3. Considers that the financial statement of the Commission proposal is compatible with the ceiling of heading 4 of the Financial Perspective without restricting other policies.
 4. Calls on the Commission to refer the matter to Parliament again if it intends to amend the proposal substantially or replace it with another text;
 5. Instructs its President to forward its position to the Council and Commission.

Text proposed by the Commission

Amendments by Parliament

Amendment 1
Title

¹ OJ C 331E, 31.12.2002, p. 12.

Proposal for a regulation of the European Parliament and of the Council concerning Community cooperation with Asian *and Latin American* countries and amending Council Regulation (EC) No 2258/96

Proposal for a regulation of the European Parliament and of the Council concerning Community cooperation with Asian countries and amending Council Regulation (EC) No 2258/96

Technical note: this amendment affects the entire legislative text, and adoption of this amendment will therefore entail technical adjustments throughout the text.

The purpose of this amendment is to split the text in such a way as to produce two regulations, one concerning Community coopération with Asia and the other concerning Community cooperation with Latin America. The technical changes required following adoption of this amendment are shown after each subsequent amendment.

Justification

In keeping with paragraph 61 of its resolution of 15 November 2001, Parliament has decided to divide the Commission's initial proposal into two separate regulations, one applicable to Asia and one to Latin America. The legal basis in both cases will be Article 179 of the Treaty establishing the European Community.

The need to consolidate the important political signals given at EU-Latin America meetings and to provide the necessary regulatory backing for the biregional strategic partnership process and the partnership agreements in progress with the countries and regions of Latin America, as well as the importance of strengthening EU action in the Asian continent, make it desirable to have a separate regulation for each region.

The management of cooperation with these two regions would be easier and simpler if there were two separate regulations, with similar procedures but with objectives suited to each region and with specific budgetary chapters, which would simplify and clarify the management of projects.

Consequences of this amendment : taking account of the different characteristics of the regions of Asia and Latin America, the regulation governing cooperation with those regions is divided into two separate regulations; the title is therefore amended accordingly. The changes affecting the two regulations take the form of two separate legal acts.

Amendment 2

Title

Proposal for a regulation of the European Parliament and of the Council concerning Community cooperation with *Asian and* Latin American countries and amending Council Regulation (EC) No 2258/96

Proposal for a regulation of the European Parliament and of the Council concerning Community cooperation with Latin American countries and amending Council Regulation (EC) No 2258/96

Technical note: this amendment affects the entire legislative text, and adoption of this amendment will therefore entail technical adjustments throughout the text.

The purpose of this amendment is to split the text in such a way as to produce two regulations, one concerning Community coopération with Asia and the other concerning Community cooperation with Latin America. The technical changes required following adoption of this amendment are shown after each subsequent amendment

Justification

In keeping with paragraph 61 of its resolution of 15 November 2001, Parliament has decided to divide the Commission's initial proposal into two separate regulations, one applicable to Asia and one to Latin America. The legal basis in both cases will be Article 179 of the Treaty establishing the European Community. The need to consolidate the important political signals given at EU-Latin America meetings and to provide the necessary regulatory backing for the biregional strategic partnership process and the partnership agreements in progress with the countries and regions of Latin America, as well as the importance of strengthening EU action in the Asian continent, make it desirable to have a separate regulation for each region.

The management of cooperation with these two regions would be easier and simpler if there were two separate regulations, with similar procedures but with objectives suited to each region and with specific budgetary chapters, which would simplify and clarify the management of projects.

Consequences of this amendment : taking account of the different characteristics of the regions of Asia and Latin America, the regulation governing cooperation with those regions is divided into two separate regulations; the title is therefore amended accordingly. The changes affecting the two regulations take the form of two separate legal acts

Amendment 3 Recital 1

(1) The Community has since 1992 been pursuing a policy of financial, technical and economic cooperation with the countries of Asia and Latin America in the framework of Council Regulation (EEC) No 443/92 of

(1) The Community has since 1992 been pursuing a policy of financial, technical and economic cooperation with the countries of Asia and Latin America in the framework of Council Regulation (EEC) No 443/92 of

25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America. ***This policy*** should be continued and intensified.

25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America. ***These policies*** should be continued and intensified ***in keeping with a new approach based on the specificity of each of the regions.***

Technical note: For the regulation on Latin America delete "Asia and"; for the regulation on Asia delete "and Latin America". For both regulations replace "These policies" with "This policy".

Justification

This amendment seeks to obtain, at the end of the codecision procedure and on the basis of the Commission proposal, one regulation for Asia and one for Latin America.

Amendment 4

Recital 2

(2) Agreements between the Community and the countries and ***regions*** of Asia and Latin America define domains of cooperation for each country and subregion.

(2) Agreements, ***governed by the principle of partnership***, between the ***European*** Community and the countries and ***subregions*** of Asia/Latin America define domains of cooperation for each country and sub-region, ***paying particular attention to the eradication of situations of extreme poverty. Stakeholders – including civil society organisations representing people living in poverty, will be consulted during the course of negotiating cooperation and other agreements.***

Technical note: For the regulation on Asia, delete "Latin America". For the regulation on Latin America, delete "Asia"

Justification

Cooperation Agreements between the Community and the partners may have an anti-poor dimension if they are finalised merely at the state to state level.

Amendment 5

Recital 3

(3) The Heads of State and Government of

(3) The Heads of State and Government of

the European Union, of Latin America and of the Caribbean, meeting in Rio de Janeiro in June 1999, adopted an action plan defining a broad range of cooperation activities with a view to developing a **strategic partnership**. They updated and consolidated this action plan at their second summit, which was held in Madrid on 17 May 2002.

the European Union, of Latin America and of the Caribbean, meeting in Rio de Janeiro in June 1999, adopted an action plan defining a broad range of cooperation activities with a view to developing a **Biregional Strategic Partnership**. They updated and consolidated this action plan at their second summit, which was held in Madrid on 17 May 2002, **and which reiterated and gave specific form to the process of partnership between the two regions, with particular reference to the partnership agreements under way with the countries and regions of Latin America.**

Technical note: Recital 3 should be included only in the regulation on Latin America. This amendment relates only to the regulation on Latin America

Justification

Without prejudice to the fact that EU cooperation with Latin America must comply with the specific objectives of EU development cooperation policy as laid down in the Treaties, it also forms part of the overall framework of the process leading to a biregional strategic partnership, and in particular within the framework of relations established by the partnership agreements already signed and those currently being negotiated or prepared with countries and regions of Latin America. It must therefore be governed by the principle of partnership.

The partnership agreements already signed with Mexico and Chile, the agreement being negotiated with Mercosur and the Political Dialogue and Cooperation Agreements – the forerunners of future partnership agreements with the Andean Community and with Central America, on which negotiations are also under way - provide the necessary instruments to make relations between the two regions consistent and comprehensive.

Amendment 6 Recital 4

(4) The Commission communication of 4 September 2001 "Europe and Asia: a strategic framework for enhanced partnership" sets out an overall framework for relations with Asia. **The core objective is to strengthen the European Union's political and economic presence across the region, and raise it to a level commensurate with the growing global weight of an enlarged European Union.** The Council fully endorsed that communication in

(4) The Commission communication of 4 September 2001 "Europe and Asia: a strategic framework for enhanced partnership" sets out an overall framework for relations with Asia. The Council fully endorsed that communication in conclusions adopted on 27 December 2001.

conclusions adopted on 27 December 2001.

Technical note: Recital 4 should be included only in the regulation on Asia. This amendment relates only to the regulation on Asia.

Justification

The overriding goal of EU relations with Asia should be poverty eradication and not the strategic interests of the Union.

Amendment 7
Recital 5a (new)

(5a) Goal 8 of the Millennium Development Goals includes responsibilities to be assumed by donors in areas including levels of official development assistance and market access.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

The achievement of goals for outcomes of development actions included in Millennium Development Goals 1 - 7 is viewed as dependent on advances by donor countries in the areas mentioned in Goal 8.

Amendment 8
Recital 5b(new)

(5b) Strategy papers must ensure respect for and support the implementation of international environment agreements ratified by the EU and the partner countries, such as the Convention on Biological Diversity, the Convention on Desertification and the Framework Convention on Climate Change.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

Emphasis should be placed on the need to support and encourage efforts to implement international conventions on the environment in the partner countries.

Amendment 9
Recital 5c (new)

(5c) It is necessary to underline the responsibility of the EU institutions and Member States to avoid the potentially adverse economic, social and environmental impacts on developing countries of certain other Community policies, such as agriculture, fisheries, energy, transport, internal market and trade. This regulation should ensure coherence between internal and external policies in order to achieve the goal of eradicating poverty.

Technical note: This amendment should be included in both the regulation on Latin America and the Regulation on Asia.

Justification

Policy coherence is fundamental for the long-term success of development cooperation. This language was used in the conclusions of the Development Council of 31 May 2001 and is in line with Article 178 of the Treaty.

Amendment 10
Recital 6

(6) The members of the World Trade Organisation (WTO) committed themselves at the 4th Ministerial Conference in Doha to mainstreaming trade in development strategies and to providing trade-related technical and capacity-building assistance to help developing countries take part in new trade negotiations and implement their results.

(6) The members of the World Trade Organisation (WTO) committed themselves at the 4th Ministerial Conference in Doha to mainstreaming trade in development strategies and to providing trade-related technical and capacity-building assistance ***as well as the necessary measures seeking to facilitate the transfer of technology via trade, to enhance the relationship between foreign direct investment and trade, and the mutual interrelation of trade and***

environment, and to help developing countries take part in new trade negotiations and implement their results. ***This assistance should contribute to free and fair trade.***

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

This amendment simply completes the recital on the EU commitment with regard to the least developed countries arising from the 4th Ministerial Declaration on the Doha WTO Conference. The additions made are taken from the said Declaration (points 37, 20, 31, and 27).

Technical assistance is always welcome but what is critical is genuine principles of fair trade.

Amendment 11

Recital 7

(7) The Commission plans to support the preparation and implementation of a new generation of economic reforms in the countries of Asia and Latin America, in line with ***the Council Resolution of 18 May 2000 on economic reforms and structural adjustment in developing countries. In so doing, it will ensure proper coordination with other donors, in particular Member States and the Bretton Woods Institutions.***

(7) The Commission plans to support the preparation and implementation of a new generation of economic reforms in the countries of Asia and Latin America, in line with ***the objective of poverty reduction as laid down in the Millennium Development Goals.***

Technical note: For the regulation on Latin America delete "Asia and"; for the regulation on Asia delete "and Latin America".

Amendment 12

Recital 8

(8) ***Without prejudice*** to the decisions which will be taken during the programming phase, it is necessary to define the ***broad*** objectives of Community cooperation in order to allow the implementation of activities in all the sectors covered by the agreements

(8) To ***provide a policy framework for*** the decisions which will be taken during the programming phase, it is necessary to define the objectives of Community cooperation in order to allow the implementation of activities in all the sectors covered by the agreements

concluded with the beneficiary countries and the pursuit of the priorities defined in the European Union's strategic guidelines with respect to Latin America and Asia.

concluded with the beneficiary countries and the pursuit of the priorities defined in the European Union's strategic guidelines with respect to Latin America and Asia.

Technical note: For the regulation on Latin America delete "and Asia"; for the regulation on Asia, delete "Latin America and".

Justification

Treaty Article 179 specifies the co-decision procedure for measures necessary to further the development policy objectives mentioned in Art 177 indicating that Parliament's participation must extend to policy rather than be limited to technical enabling legislation as proposed by the Commission.

Amendment 13 Recital 8a (new)

(8a) Extensive discussions have taken place between the European Parliament and the European Commission on the subject of establishing targets, both for budgetary allocations and for results and outcomes of development actions, and on establishing performance indicators to allow better assessment of cooperation actions, and the fruits of these discussions should be included in legislation.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

Targets and indicators are of key importance to improving and maintaining aid effectiveness but would be meaningless unless they are given legal force.

Amendment 14 Recital 8b (new)

(8b) Special attention shall be given to improving the implementation of cooperation with Asian and Latin American countries, achieving a sound balance between financial resources allocated and absorption capacity, as well as to reducing outstanding commitments. In this respect, the simplification and rationalisation of common implementation procedures and decision-making procedures shall be taken into account.

Technical note: For the regulation on Latin America delete "Asian and"; for the regulation on Asia delete "and Latin America".

Justification

The level of outstanding commitments for these two regions amounts to nearly 4 times their current annual budget allocations. A simplification and rationalisation of common procedures should be encouraged to improve this situation.

Amendment 15 Recital 9

(9) In order to simplify and rationalise the rules governing cooperation, this Regulation ***should incorporate both operations related to rehabilitation and reconstruction and those concerning aid to uprooted people.*** Regulation (EC) No 2130/2001 of the European Parliament and of the Council of 29 October 2001 on operations to aid uprooted people in Asian and Latin American developing countries¹ should therefore be repealed and Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries² should be amended accordingly.

(9) Operations related to rehabilitation and reconstruction and those concerning aid to uprooted people are of vital importance in post-emergency situations to ensure the smooth transition from humanitarian aid to development assistance and must be maintained. However, in order to simplify and rationalise the rules governing cooperation, ***these activities can be incorporated in*** this Regulation. Regulation (EC) No 2130/2001 of the European Parliament and of the Council of 29 October 2001 on operations to aid uprooted people in Asian and Latin American developing countries¹ should therefore be repealed and Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing

countries² should be amended accordingly.

OJ L 287, 31.10.2001, p. 3.

OJ L 306, 28.11.1996, p. 1.

OJ L 287, 31.10.2001, p. 3.

OJ L 306, 28.11.1996, p. 1.

Technical note: After "can be incorporated in this Regulation", in the regulation on Latin America add "and the corresponding Regulation on cooperation with Asia" and in the regulation on Asia add "and the corresponding Regulation on cooperation with Latin America".

Justification

It is necessary to stress the importance of maintaining rehabilitation and reconstruction activities and those in favour of uprooted people to secure the link between humanitarian aid and development assistance following emergencies. Simplification must not open the possibility for these actions to be reduced.

Amendment 16

Recital 10

(10) Community cooperation should be governed by a strategy framework and by annual and multiannual programming as defined in the Commission Communication on the reform of Community's external assistance of 16 May 2000 and referred to in the Council Conclusions of 10 November 2000. This will situate the co-operation within a medium-term outlook and will make it possible to ensure that it complements and remains consistent with that of the Member States.

(10) Community cooperation should be governed by a strategy framework and by annual and multiannual programming as defined in the Commission Communication on the reform of Community's external assistance of 16 May 2001 and referred to in the Council Conclusions of 10 November 2000. This will situate the cooperation within a medium-term outlook and will make it possible to ensure that it complements and remains consistent with that of the Member States. ***The December 2000 Joint Policy Statement by the Council and the Commission on development policy, the programming guidelines and the December 2002 Commission Communication on non-state actors emphasise the role of civil society actors, which need to be consulted in the programming process.***

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

Self-explanatory.

Amendment 17

Recital 13

(13) This Regulation establishes a financial framework for the period 2003 to 2006 which is to be the principal point of reference for the budget authority, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

(13) This Regulation establishes a financial framework for the period 2003 to 2006 which is to be the principal point of reference for the budget authority, within the meaning of point 33 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

Priority shall be given to the poorest countries among the Latin American and Asian partners, and to the poorest sectors of society within all the Asian and Latin American partners.

Technical note: For the regulation on Latin America delete "and Asian" and "Asian and"; for the regulation on Asia delete "Latin American and" and "and Latin American".

Justification

The principle applied within each regional context should also apply overall.

Amendment 18

Recital 13a (new)

(13a) Projects targeted at social infrastructure should receive an allocation of 35% as a benchmark. The budget appropriations earmarked for this purpose are also to be used to finance a Biregional Solidarity Fund.

Technical note: This first sentence of amendment relates to both the regulation on Latin America and the regulation on Asia. The 2nd sentence should be included only in

the regulation on Latin America.

Justification

The 35% benchmark for social infrastructure was agreed with the Commission for the 2002 budget. The definition of social infrastructure adopted is that proposed by the OECD Development Assistance Committee, and emphasis is placed on the need to devote the bulk of the 35% to combating two of the main elements causing poverty and social inequality in Latin America.

This proposal is aimed at the creation of the Biregional Solidarity Fund proposed by Parliament in paragraphs 35 et seq. of its resolution of 15 November 2001, as a concrete instrument for fulfilling the commitment given by the Union to the strategic biregional partnership proclaimed at the summits in Rio de Janeiro in 1999 and Madrid in 2002.

The implementation of this fund will not entail any additional expenditure and is strictly financially neutral. The participation of other interested bodies and countries is aimed at bringing about a multiplier effect in the acquisition of resources, whose management would be the responsibility of the European Commission in cooperation with the remaining participants.

There is no doubt that a fund of this type would constitute an extremely useful instrument for responding to the crises which have affected some of the countries in the region, and would provide the EU with a flexible response mechanism, in line with other donors, which will demonstrate the EU's resolve to encourage and consolidate processes of political, economic and social stability in Latin America.

Amendment 19 Recital 14a (new)

The allocation of resources as well as the choice of eligible Asian and Latin American (ALA) countries should be reviewed and suitable criteria should be established to reflect a country's population, internal inequalities, per capita income, poverty, export potential and economic performance, for their eligibility to become either 'Asian partners' or 'Latin American partners'.

Technical note: For the regulation on Latin America delete "Asian and", delete "ALA" and delete "either 'Asian partners' or".

For the regulation on Asia delete "and Latin American (ALA)", delete "either" and delete "or 'Latin American partners'".

Amendment 20
Article 1

This Regulation establishes a framework for the implementation of a Community policy of cooperation through the financing of projects and programmes, hereinafter referred to as “Community cooperation”, with the *Asian and Latin American (ALA)* countries, hereinafter referred to as the “*Asian partners*” and “Latin American partners”, listed in Annex I.

This Regulation establishes a framework for the ***formulation of political objectives and*** implementation of a Community policy of cooperation through the financing of projects and programmes, hereinafter referred to as “Community cooperation”, with the Latin American countries, hereinafter referred to as the “Latin American partners”, listed in Annex I.

Technical note: This amendment applies only to the Latin America Regulation

Justification

The formulation of the political objectives of Community cooperation with Latin America must not be restricted to programming documents or depend exclusively on the comitology procedure, in which the European Parliament plays no part. Instead, Parliament considers it crucial to grant legal form to certain specific political objectives which it considers fundamental for the formulation of Community policy.

Amendment 21
Article 1, sub-paragraph 1a (new)

The primary objective of this instrument shall be to eradicate poverty, while its overall objectives are stated in Article 2.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

The proposed regulation does not reflect the commitments undertaken by successive Council conclusions (such as the General Affairs and External Relations Council of 30 September 2002). Nor does it explicitly specify the primary goal of this proposal, possibly this omission may cause misinterpretation arising from an instrument devoid of a specified policy content.

Amendment 22
Article 2, paragraph 1

1. Community cooperation under this Regulation shall be pursued with the overall **objectives of strengthening the relationship between the Community and its Asian and Latin American partners**, reducing poverty, promoting sustainable development and contributing to prosperity, security and stability.

1. Community cooperation under this Regulation shall be pursued with the overall **objective of reducing and, eventually, eradicating** poverty.

1a. Attaining the overall objective will entail close reference to the Millennium Development Goals, and actions aimed at promoting sustainable economic, social and environmental development, promoting human rights, minority rights and the rights of indigenous peoples, democracy and good governance, combating inequality, improving the gender balance and contributing to prosperity, security and stability.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

Gender mainstreaming is a declared policy means and aim of the EU and must be mentioned in a Regulation as important as ALA.

Amendment 23 Article 2, paragraph 2

2. Without prejudice to the eligibility of the sectors included in agreements with the partner countries, Community cooperation shall in particular: ***deleted***

(a) foster the sustainable economic and social development of partner countries, and their smooth and gradual integration into the world economy;

(b) strengthen the institutional and legislative framework, in particular to underpin democratic principles, the rule of law and respect and protection for human rights and fundamental freedoms;

(c) promote economic and trade cooperation, strengthen investment relations, and foster the integration of Asian and Latin American countries into the multilateral trading system and the implementation of WTO agreements;

(d) support the fight against organised crime, money-laundering, terrorism, drugs, illegal migration and trafficking in human beings, and measures aiming at confidence-building and conflict prevention;

(e) favour regional integration and cooperation in Asia and Latin America, and support the development of closer relations between Asian and Latin American partners and the European Union, so as to enable mutually beneficial exchanges, notably between economic, social, cultural, educational, technological and scientific entities;

(f) support rehabilitation, reconstruction and aid to uprooted people, with particular attention to the transition between emergency and development.

Technical note: This amendment relates to both the regulation on Latin America and the regulation on Asia.

Justification

It is not appropriate to specify generic objectives for development actions for both Asia and Latin America. There are very significant differences between the regions and different objectives must be listed for each. This should be included under separate chapters.

Amendment 24
Article 2, paragraph 3

3. Community cooperation shall follow a sector-wide approach wherever possible. In this context, it **shall** support sectoral policies and economic reform programmes, through the most appropriate instruments, including budgetary support, subject to strict **monitoring** and conditionality. **In exceptional circumstances, where such policies and programmes are not yet in place, budgetary support may also be provided for specific and clearly identified measures, subject to strict monitoring and conditionality.**

3. Community cooperation shall follow a sector-wide approach wherever possible **and desirable**. In this context, it **may** support sectoral policies and economic reform programmes, through the most appropriate instruments, including **sectoral** budgetary support, **provided this is geared to poverty reduction and** subject to strict **control** and **ex-ante** conditionality, **including minimum conditions of sound public finance management.**

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia.

Justification

Budget support must be made conditional on sector-based use from the outset, and the funds channelled through it must be subject to political control.

Amendment 25
Article 2, paragraph 3a (new)

3a. Community cooperation with Latin America shall have a regional focus, distinguishing where appropriate between countries and regions as agreed in the partnership agreements in force or in the process of being negotiated or, failing that, in the remaining agreements applying to the other countries and regions, taking account of the processes of regional and sub-regional integration underway in Latin America.

Technical note: This amendment relates only to the regulation on Latin America.

Justification

Community development cooperation with Latin American countries must basically be structured around the corresponding provisions contained in existing partnership agreements (Mexico and Chile) or those being negotiated (Mercosur), and those which may be signed with the Andean community and with Central America, thereby guaranteeing consistent and appropriate participation on both sides, as well as due democratic scrutiny by the European Parliament.

Where there are no partnership agreements, such cooperation must be based on existing legislation, guaranteeing appropriate participation by the Latin American partners in the formulation and implementation of projects.

The regional focus of Community development cooperation must also be geared towards supporting the regional and sub-regional integration processes now underway.

Amendment 26

Article 3

Respect for the principles of democracy **and** the rule of law and for human and minority rights and fundamental freedoms is an essential element for ***the application of this Regulation. Failure to respect these principles may give grounds for the adoption of*** appropriate measures.

Respect for the principles of democracy, ***good governance***, the rule of law and for human and minority rights and fundamental freedoms is an essential element for ***the Community's relations with Asian/Latin American countries. If these principles are not respected, the Council, acting by qualified majority on a proposal from the Commission and after consulting the European Parliament, may take*** appropriate measures.

Technical note: For the regulation on Latin America, delete "Asian", for the regulation on Asia, delete "Latin American"

Justification

In such important cases as violations of human rights and fundamental freedoms, the procedure to be followed must be specified. Council can act by qualified majority in similar regulations governing EC cooperation with other regions. Participation by the European Parliament must be foreseen.

The essential element clause should be universal, i.e. the same as for ACP countries.

Amendment 27
Article 3a (new)

Article 3a

The following factors shall be included in Community cooperation with the Asian partners and reflected in the relevant programming documents:

Technical note: Article 3a is to be included only in the Asia Regulation.

Justification

Crosscutting matters, common to all sectors of activity, must be divided from the list of actions eligible for inclusion in agreements with partner countries.

Amendment 28
Article 3a, point (a) (new)

(a) A benchmark of 35% of annual commitments shall be allocated to social infrastructure as defined by OECD/DAC. Most of this benchmark, amounting to a minimum of 20% of total annual commitments, shall be allocated to basic health and basic education. In this context it is recognised that the EU contribution be seen as part of overall donor support in a given country. A deviation from the benchmark will be motivated in the Commission's annual report.

Technical note: Article 3a is to be included only in the Asia Regulation.

Justification

The 35% benchmark for social infrastructure was agreed for the 2002 budget with the Commission, with the wording replicated in this amendment. An additional benchmark for basic education and health has been included as these are fundamental to poverty reduction and the budgetary requirement to spend the 35% "mainly on education and health" has not been respected.

Amendment 29
Article 3a, point (b) (new)

(b) A benchmark of 10% of annual commitments shall be allocated to projects and programmes for improving the conservation and sustainable management of natural resources and reversing environmental degradation (in keeping with millennium development goal 7).

Technical note: Article 3a is to be included only in the Asia Regulation.

Justification

A 10% benchmark exists in the current regulation specifically for forests. The conservation and sustainable management of natural resources are essential for combating poverty, as stressed at the summit on sustainable development. A 10% benchmark for environmental measures is vital to ensure full implementation of mainstreaming in country strategy papers and support for beneficiary countries to implement multilateral environment agreements.

Amendment 30
Article 3a, point (c) (new)

(c) Priority shall be given to the poorest countries among the Asian partners, especially the least developed countries, and to the poorest sectors of society within all the Asian partners.

Technical note: Article 3a is to be included only in the Asia Regulation.

Justification

Prioritising the poorest countries and the poorest sectors of society is vital to the objective of poverty eradication.

Amendment 31
Article 3a, point (d) (new)

(d) Programming documents and actions shall be assessed for their impact on vulnerable and excluded groups including,

but not limited to, people with disabilities, people subject to caste-based, religious or racial discrimination, indigenous peoples, women, children and older people.

Technical note: Article 3a is to be included only in the Asia Regulation.

Amendment 32
Article 3a, point (e) (new)

(e) Gender concerns and women's rights shall be mainstreamed in cooperation activities with the Asian partners, including but not limited to the routine analysis of the situation for women and men at project and programme level, strengthening gender considerations during the whole project cycle and use of gender-sensitive indicators and sex-disaggregated data at all stages of planning, implementing and evaluating actions, in accordance with the Commission Programme of Action on the mainstreaming of gender equality in Community Development Cooperation¹.

¹COM (2001) 295 final

Technical note: Article 3a is to be included only in the Asia Regulation.

Amendment 33
Article 3a, point (f) (new)

(f) Environmental considerations shall be systematically incorporated into the preparation of all programming documents, making use of in-depth policy analyses and strategic environmental assessments (SEA) to this end. SEA shall also be used systematically during the preparation of structural and sectoral programmes. Environmental impact assessment shall be used systematically at project level and for major new infrastructure. The involvement of all

interested and affected stakeholders at all stages of these assessments shall be ensured. Public access to the results of environmental screening shall be guaranteed.

Technical note: Article 3a is to be included only in the Asia Regulation.

Justification

The amendment, which is self explanatory, incorporates essential elements from the strategy for the integration of environmental consideration into development policy to promote sustainable development, set out in the Conclusions of the Development Council of May 2001.

Amendment 34
Article 3b (new)

Article 3b

Without prejudice to the eligibility of the sectors included in agreements with Asian partners, Community cooperation shall particularly support:

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

This section gives the list of actions which are eligible for funding under the ALA Regulation, but which are not obligatory for all Asian countries.

Amendment 35
Article 3b, point (a) (new)

(a) Actions in the health sector including increasing access to health services for lower income groups and marginalised groups, including groups subject to caste-based, religious and gender-based discrimination, reducing child mortality, improving maternal and child health and sexual and reproductive health and

addressing poverty diseases, particularly HIV/AIDS, tuberculosis and malaria.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

The importance of pro-poor actions in the field of health was underlined in the conclusions of the Council of May 2002.

Amendment 36 Article 3b, point (b) (new)

(b) Actions in the education sector, especially in the context of Millennium Development Goals 2 and 3 and the Dakar Framework for Action: Education For All, with emphasis on achieving full-time universal education of equal quality for girl and boy children.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Education actions are fundamental for poverty reduction and central to the Millennium Development Goals. The Framework for Action: Education for All was adopted at the World Education Forum in Dakar, Senegal in April 2000. The Development Council reaffirmed its commitment to these goals in its conclusions of 30 May 2002.

Amendment 37 Article 3b, point (c) (new)

(c) Actions in favour of vulnerable and excluded groups including, but not limited to, people with disabilities, people subject to caste-based or religious discrimination, indigenous peoples, women, children and older people.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Actions in favour of vulnerable groups are fundamental to the overall objective of poverty reduction.

Amendment 38
Article 3b, point (d) (new)

(d) Actions in favour of children's rights, particularly to combat all forms of child labour that are hazardous and/or hinder full-time education and in support of the full implementation of the UN Convention on the Rights of the Child.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Children are at particular risk in a number of Asian countries so actions are necessary to support their rights. Both the Universal Declaration and the CRC establish the right to education, while ILO Conventions 138 and 182 – both ratified by a large majority countries, call for entry to employment not below 14 or 15 years and exclusion from hazardous forms of child labour up to 18 years.

Amendment 39
Article 3b, point (e) (new)

(e) The strengthening of democratic principles, the rule of law and protection for human rights and fundamental freedoms by actions including, but not limited to, capacity building and strengthening the institutional and legislative framework.

Technical note: Article 3b is to be included only in the Asia Regulation.

Amendment 40
Article 3b, point (f) (new)

(f) Actions to combat corruption and foster good governance, particularly in the areas of national administration, designing and implementing policies and managing public finances and national resources, in a transparent way.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Amendment 41
Article 3b, point (g) (new)

(g) Actions to support the role of civil society organisations, particularly those representing people living in poverty, in any of the actions set out in this article to contribute to the objective of poverty eradication.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

It is crucial to support an active role for civil society in the implementation of actions under this article. Private actors, including the private sector, can be important in promoting development if their actions contribute to the implementation of human rights and the eradication of poverty.

Amendment 42
Article 3b, point (h) (new)

(h) Actions to promote and ensure that private actors, including the corporate private sector, contribute to the implementation of human rights and the alleviation of poverty in their respective

spheres of influence.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

It is crucial to support an active role of civil society in the implementation of actions under this article. Private actors, including the private sector, can be important in promoting development if their actions contribute to the implementation of human rights and the eradication of poverty.

Amendment 43

Article 3b, point (i) (new)

(i) The provision of water, prioritising universal sustainable access to safe drinking water and sanitation but also including sustainable use of water resources, efficient water use for agricultural and industrial purposes and improving water quality.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Sustainable access to water and sanitation is included in the Millennium Development Goals and targets were set at the World Summit on Sustainable Development in Johannesburg in 2002. These advances are also of key importance for improvements in other sectors such as health and the environment.

Amendment 44

Article 3b, point (j) (new)

(j) Actions in favour of the development of rural areas, particularly with a view to ensuring food security.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Rural areas normally enjoy fewer services than towns and cities and are home to the majority of the world's poor. Supporting rural development therefore fits in well with the overall objective of poverty eradication.

Amendment 45 Article 3b, point (k) (new)

(k) Promotion of economic and trade cooperation, supporting mechanisms to comprehensively address debt problems and strengthening investment relations between the European Union and Asia countries, by actions that promote and ensure that private actors, including the indigenous private sector and investment by European enterprises contribute to socially responsible economic development, respecting ILO standards and other human rights and contributing to the alleviation of poverty, particularly by capacity-building actions.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

On its own, aid will never be able to achieve full development, so trade and investment must fill the gap. Assistance must be provided for these benefits to reach those Asian countries not yet integrated into the multilateral trading system. Implementation of WTO agreements and structural adjustment policies prescribed by Bretton Woods institutions have been proved to be expanding poverty and social inequality.

Amendment 46 Article 3b, point (l)(new)

(l) Actions to tackle the structural difficulties the partner countries face in the global economy by enhancing technical assistance and capacity building, reduction or elimination of tariff peaks and non-tariff barriers between

trading partners, the proper interpretations of the trade-related aspects of intellectual property rights (TRIPS Agreement) in areas such as public health or research and development into new medicines.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

In this often-forgotten area, the EP has on numerous occasions stressed the inhibiting role played by the structural weakness of a least-developed country in its efforts to either integrate itself into the multilateral trading system or to promote sustainable development. The Doha Ministerial Declaration has insisted on the proper interpretation of the TRIPS.

Amendment 47 Article 3b, point (m) (new)

(m) Emergency preparedness and the prevention of natural disasters, as well as post-emergency rehabilitation, reconstruction and aid to uprooted people, with particular attention to the transition between emergency assistance and development cooperation.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

This amendment replaces part of the Commission text on rehabilitation, reconstruction and aid to uprooted people and adds the essential element of emergency preparedness. It aims to reduce the impact of emergencies when they occur and also address the “grey area” between humanitarian assistance and development aid currently the subject of Regulation (EC) No 2258/96.

Amendment 48 Article 3b, point (n) (new)

(n) Actions in favour of environmental protection and the sustainable

management of natural resources and human activities, especially improving the urban environment of Asia's megacities, promoting sustainable patterns of production and consumption, safe and sustainable management of chemicals and the sustainable use and conservation of marine and terrestrial biodiversity particularly in rivers, oceans and forests.

Technical note: Article 3b is to be included only in the Asia Regulation.

Amendment 49

Article 3b, point (o) (new)

(o) Actions in favour of gender equality and promoting the full participation of women in society including but not limited to actions to secure full-time education rights for girl children and to increase the active participation of women, on an equal footing with men, in access to and control of the means of production, the productive process and its results, in decision making and in social activities, in accordance with the Commission Programme of Action on the mainstreaming of gender equality in Community Development Cooperation.

Technical note: Article 3b is to be included only in the Asia Regulation.

Amendment 50

Article 3b, point (p) (new)

(p) Cultural cooperation, including exchanges allowing for greater cultural understanding between Asian partners and the European Union.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

Culture is a key element within each society. Knowledge and understanding of each other's culture will greatly enhance cooperation in every field between Asia and the European Union.

Amendment 51
Article 3b, point (q) (new)

(q) The increased use of information and communication technologies as a tool for development in the Asian countries.

Technical note: Article 3b is to be included only in the Asia Regulation.

Justification

This amendment backs up the support for information and communication technologies in development included in the Conclusions of the Development Council of 30 May 2002.

Amendment 52
Article 3b, point (r) (new)

(r) Actions fostering the greater use of sustainable energy technologies among the Asian partners.

Technical note: Article 3b is to be included only in the Asia Regulation.

Amendment 53
Article 3b, point (s) (new)

(s) Regional integration and cooperation in Asia, and the development of closer relations between the Asian partners and

the European Union.

Technical note: Article 3b is to be included only in the Asia Regulation.

Amendment 54
Article 3b, point (t) (new)

(t) The strengthening of the institutional framework to promote and engender the creation of Small and Medium Sized Enterprises, increasing capacity to promote the opening of bank accounts and the setting up of businesses.

Technical note: Article 3b is to be included only in the Asia Regulation.

Amendment 55
Article 3c (new)

Article 3c

The following factors shall be included in Community cooperation with the Latin American partners and reflected in the relevant programming documents:

Technical note: Article 3c is to be included only in the Latin America Regulation.

Justification

Elements relevant to cooperation with Latin America must be placed in a separate chapter.

Amendment 56
Article 3c, point (a) (new)

(a) A benchmark of 35% of annual commitments shall be allocated to social infrastructure as defined by the OECD Development Assistance Committee (DAC). Most of this benchmark, amounting to a minimum of 20% of total annual commitments, shall be allocated to basic health and basic education. In this context it is recognised that the EU contribution be seen as part of overall donor support in a given country. A deviation of the benchmark will be motivated in the Commission's annual report.

Without this entailing any increase in the annual amounts allocated, EUR 20 million of the budget for Community cooperation with Latin America shall be set aside each year for a Biregional Solidarity Fund whose activities shall be geared to the management and financing of sectoral programmes linked to health, education and combating poverty and social inequality in the countries and regions of Latin America with the lowest rate of per capita income or which are experiencing serious unforeseen difficulties.

Bodies (EIB, IDB, World Bank, etc.) and countries interested in its activities may also participate in this fund. The fund shall be coordinated by the Commission in coordination with the other participants.

Technical note: Article 3c is to be included only in the Latin America Regulation

Justification

The 35% benchmark for social infrastructure was agreed with the Commission for the 2002 budget, with the wording replicated in this amendment. It is further aimed at the creation of a Biregional Solidarity Fund in line with the proposal adopted by Parliament in paragraphs 35 et seq of its resolution of 15 November 2001, as a specific commitment on the part of the Union to the strategic biregional partnership proclaimed at the summits in Rio de Janeiro in 1999 and Madrid in 2002.

Amendment 57
Article 3c, point (b) (new)

(b) A benchmark of 10% of annual commitments shall be allocated to projects and programs for improving the management of natural resources and reversing environmental degradation (as per millennium development goal 7).

Technical note: Article 3c is to be included only in the Latin America Regulation

Justification

A 10% benchmark exists in the current Regulation. Conservation and sustainable management of natural resources are essential for combating poverty, as expressed in WSSD and constitute one of 8 millennium development goals adopted by OECD/DAC. A 10% allocation for environment measures is vital to ensure full implementation of mainstreaming in country strategy papers and support for beneficiary countries to implement MEAs.

Amendment 58
Article 3c, point (c) (new)

(c) Priority shall be given to the poorest countries among the Latin American partners, especially the low income countries, and to the poorest sectors of society within all the Latin American partners, with particular regard to combating inequality and building more cohesive societies.

Technical note: Article 3c is to be included only in the Latin America Regulation

Justification

prioritising the poorest countries and the poorest sectors of society is vital to the objective of poverty eradication. There are no least developed countries among the Latin American partners and inequality is a particular problem in this region. Social cohesion has been identified on several occasions by the Community as an overriding priority for the Latin American countries.

(Commissioner Patten centred his speech at the Rio Group Ministerial meeting in Athens March 28 2003 on this issue, and proposed social cohesion as the main theme for the 2004

Amendment 59
Article 3c, point (d) (new)

(d) Programming documents and actions shall be assessed for their impact on vulnerable and excluded groups and on people with disabilities, people subject to caste-based or religious discrimination, indigenous peoples, women, children and older people.

Technical note: Article 3c is to be included only in the Latin America Regulation

Justification

In the case of cooperation with Latin America in particular, it is vital to prioritise those groups in society which are affected by extreme poverty.

Amendment 60
Article 3c, point (e) (new)

(e) Gender concerns and women's rights shall be mainstreamed in cooperation activities with the Latin American partners, including but not limited to the routine analysis of the situation for women and men at project and programme level, strengthening gender considerations during the whole project cycle and use of gender-sensitive indicators and sex-disaggregated data at all stages of planning, implementing and evaluating actions, in accordance with the Commission Programme of Action on the mainstreaming of gender equality in Community Development Cooperation¹.

¹COM (2001) 295 final

Technical note: Article 3c is to be included only in the Latin America Regulation

Amendment 61
Article 3c, point (f) (new)

(f) Environmental considerations shall be systematically incorporated into the preparation of all programming documents, making use of in-depth policy analyses and strategic environmental assessments (SEA) to this end. SEA shall also be used systematically during the preparation of structural and sectoral programmes. Environmental impact assessment shall be utilised systematically at project level and for major new infrastructure. The involvement of all interested and affected stakeholders, and in particular the indigenous peoples, shall be ensured at all stages of the preparation and assessment process. Public access to the results of environmental screening shall be guaranteed.

Technical note: Article 3c is to be included only in the Latin America Regulation

Justification

Sustainable development is a key aspect of Community cooperation policy. Environmental considerations should be incorporated as they are an inherent part of development policy.

Amendment 62
Article 3d (new)

Article 3d

Without prejudice to the eligibility of the sectors included in agreements with Latin American partner countries, Community cooperation shall particularly support:

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

This section gives the list of actions which are eligible for funding under the ALA Regulation, but which are not obligatory for all Latin American countries.

Amendment 63
Article 3d, point (a) (new)

(a) Actions in the health sector including increasing access to health services among lower income population groups and marginalised groups, including groups subject to ethnic, religious or gender discrimination, reducing child mortality, improving mother and child, sexual and reproductive health and addressing poverty diseases such as, in particular, HIV/AIDS, tuberculosis and malaria.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

The importance of a pro-poor actions in the field of health was underlined in the conclusions of the Development Council of 30 May 2002.

Amendment 64
Article 3d, point (b) (new)

(b) Actions in the education sector, especially in the context of Millennium Development Goals 2 and 3 and the Dakar Framework for Action: Education For All.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Education actions are fundamental for poverty reduction and central to the Millennium Development Goals. The Framework for Action: Education for All was adopted at the World

Education Forum in Dakar, Senegal in April 2000. The Development Council reaffirmed its commitment to these goals in its conclusions of 30 May 2002.

Amendment 65
Article 3d, point (c) (new)

(c) Actions in favour of vulnerable and excluded groups including, but not confined to, people with disabilities, indigenous peoples and other minorities, women, children and older people.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Actions in favour of vulnerable groups are fundamental to the overall objective of poverty reduction.

Amendment 66
Article 3d, point (d) (new)

(d) Actions in favour of children's rights, particularly to address the problems faced by street and other working children that are hazardous and/or hinder full-time education, and support implementation of the UN Convention on the Rights of the Child.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Street children in Latin America are particularly vulnerable and require support which should fit within actions supporting children's rights in general. Both the Universal Declaration and the CRC establish the right to education, while ILO Conventions 138 and 182 – both ratified by a large majority of countries, call for entry to employment not below 14 or 15 years and exclusion from hazardous forms of child labour up to 18 years.

Amendment 67
Article 3d, point (e) (new)

(e) The strengthening of democratic principles, the rule of law and protection for human rights and fundamental freedoms by actions including, but not limited to, capacity building and strengthening the institutional and legislative framework.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 68
Article 3d, point (f) (new)

(f) Actions to combat corruption and foster good governance, particularly in the areas of national administration, designing and implementing policies and managing public finances and national resources, in a transparent way.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 69
Article 3d, point (g) (new)

(g) Initiatives to support the role of civil society organisations, particularly those representing people living in poverty, in any of the actions set out in this article to contribute to the objective of poverty eradication.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Amendment 70
Article 3d, point (h) (new)

(h) Actions for the provision of water, prioritising universal sustainable access to safe drinking water and sanitation but also including sustainable use of water resources, efficient water use for agricultural and industrial purposes and improving water quality.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Sustainable access to water and sanitation is included in the Millennium Development Goals and targets set at the World Summit on Sustainable Development in Johannesburg in 2002. These advances are also very important for improvements in other sectors such as health and the environment.

Amendment 71
Article 3d, point (i) (new)

(i) Actions in favour of the development of rural areas, particularly with a view to ensuring food security.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Rural areas normally enjoy fewer services than towns and cities and are home to the majority of the world's poor. Supporting rural development therefore fits in well with the overall objective of poverty eradication.

Amendment 72
Article 3d, point (j) (new)

(j) Promotion of economic and trade cooperation, supporting mechanisms to comprehensively address debt problems and strengthening investment relations between the European Union and Latin American countries, by actions to promote and ensure that private actors, including the local private sector and investment by European enterprises, contribute to socially responsible economic development, respecting ILO standards and other human rights, and contributing to the alleviation of poverty particularly by capacity-building actions.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

On its own, aid will never be able to achieve full development, so trade and investment must fill the gap. Assistance must be provided so that these benefits reach those Latin American countries not yet fully integrated into the multilateral trading system. At the International Conference on Financing for Development all countries recognised the key role that debt sustainability has to play in meeting the MDGs.

Amendment 73
Article 3d, point (k) (new)

(k) Actions to tackle the structural difficulties the partner countries face in the global economy by enhancing technical assistance and capacity building, reduction or elimination of tariff peaks and non-tariff barriers between trading partners, the proper interpretations of the trade-related aspects of intellectual property rights (TRIPS Agreement) in areas such as public health or research and development into new medicines.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

In this often-forgotten area, the EP has on numerous occasions stressed the inhibiting role played by the structural weakness of a least-developed country in its efforts to either integrate itself into the multilateral trading system or to promote sustainable development. The Doha Ministerial Declaration has insisted on the proper interpretation of the TRIPS.

Amendment 74 Article 3d, point (l) (new)

(l) Emergency preparedness and the prevention of natural disasters, as well as post-emergency rehabilitation, reconstruction and aid to uprooted people, with particular attention to the transition between emergency assistance and development cooperation.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

This amendment replaces part of the Commission text on rehabilitation, reconstruction and aid to uprooted people and adds the essential element of emergency preparedness. It aims to reduce the impact of emergencies when they occur and also address the “grey area” between humanitarian assistance and development aid currently the subject of Regulation (EC) No 2258/96.

Amendment 75 Article 3d, point (m) (new)

(m) Actions in favour of environmental protection and the sustainable management of natural resources and human activities, especially ensuring sustainable use and conservation of Latin America’s rich biodiversity, taking traditional and local knowledge into consideration, particularly in forests, rivers and oceans, and also supporting improvements in the urban environment, including sustainable patterns of production and consumption,

and the safe and sustainable management of chemicals.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 76
Article 3d, point (n) (new)

(n) Actions in favour of gender equality and promoting the full participation of women in society including but not limited to actions to secure education rights for girl children and to increase the active participation of women, on an equal footing with men, in access to and control of the means of production, the productive process and its results, in decision making and in social activities.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 77
Article 3d, point (o) (new)

(o) Cultural cooperation, including exchanges allowing for greater cultural understanding between Latin American partners and the European Union.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

Culture is a key element within each society. Knowledge and understanding of each other's culture will greatly enhance cooperation in every field between Latin America and the European Union.

Amendment 78
Article 3d, point (p) (new)

(p) The increased use of information and communication technologies as a tool for development in the Latin American countries.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Justification

This amendment backs up the support for information and communication technologies in development in the Conclusions of the Development Council of 30 May 2002.

Amendment 79
Article 3d, point (q) (new)

(q) Actions fostering the greater use of sustainable energy technologies among the Latin American partners.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 80
Article 3d, point (r) (new)

(r) Regional integration and cooperation in Latin America, and the development of closer relations between the Latin American partners and the European Union.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 81
Article 3d, point (s) (new)

(s) The strengthening of the institutional framework to promote and engender the creation of Small and Medium Sized Enterprises, increasing capacity to promote the opening of bank accounts and the setting up of businesses.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 82
Article 3d, point (t) (new)

(t) The promotion of "Offset" investments by foreign investors in the social, educational and healthcare sectors, in conjunction with NGOs and other civil society actors to guarantee that projects are tied to local social, industrial and service capacity building.

Technical note: Article 3d is to be included only in the Latin America Regulation.

Amendment 83
Article 4, paragraph 1

1. As a general rule, the framework for the programming and identification of Community cooperation activities under this Regulation shall consist of:

- (a) strategy papers;
- (b) multiannual indicative programmes;
- (c) annual action plans.

1. As a general rule, the framework for the programming and identification of Community cooperation activities under this Regulation shall consist of:

- (a) strategy papers;
- (b) multiannual indicative programmes;
- (c) annual action plans.

These documents shall reflect priorities identified and agreed with stakeholders in the Asian or Latin American countries concerned, including government authorities at national, regional and local level, parliaments, non-governmental organisations, organisations of indigenous peoples, the private sector and other relevant civil society actors. The European

Parliament shall receive the -documents referred to in (a), (b) and (c) above. As a general rule the revision of the above-mentioned documents shall reflect priorities identified and agreed with stakeholders in the Asian or Latin American countries concerned, including government authorities at national, regional and local level, parliaments, non governmental organisations, the private sector and other relevant civil society actors. The European Parliament shall receive the -documents referred to in (a), (b) and (c) above as revised. The above-mentioned documents shall be publicly available on the EU information web-site to ensure a maximum degree of transparency.

Technical note: For the regulation on Latin America, delete the words "Asian or"; for the regulation on Asia, delete the words "or Latin American".

Justification

In conformity with the principle of “ownership” governmental and civil society organisations must be consulted when priorities are established and when programming documents are drawn up. Involvement of the European Parliament in the programming of development cooperation and its revision is essential since this concerns longer-term plans . Consultation with stakeholders and civil society in the revision of programming documents is most important for understanding the situation on the ground and formulating realistic and efficient strategies tailored to the priorities of people living in poverty. Public access to these documents favours transparency, an essential Community principle.

Amendment 84 Article 4, paragraph 2

2. Strategy papers for Asian and Latin American partner countries, regions or subregions shall be established for a period of five to seven years.

2. Strategy papers for Asian and Latin American partner countries, regions or subregions shall be established for a period of five to seven years ***and must be linked to (or reflect) a partner country's national development plan, where it exists.***

They shall define the long-term objectives for cooperation and identify the strategic priorities and the specific fields of action. They shall be revised if circumstances so require.

*A separate three-year strategy **paper covering the whole of Asia and Latin America** shall be drawn up for crises involving uprooted people.*

They shall define the long-term objectives for cooperation and identify the strategic priorities and the specific fields of action. They shall be revised if circumstances so require.

*Two separate three-year strategy **papers** shall be drawn up for crises involving uprooted people, **one covering Asia and one covering Latin America**.*

Technical note:

For the Regulation on Latin America:

In subpara 1, delete "Asian and".

Subpara 3 should read: A separate three-year strategy paper covering the whole of Latin America shall be drawn up for crises involving uprooted people.

For the Regulation on Latin America:

In subpara 1, delete "and Latin American".

Subpara 3 should read: A separate three-year strategy paper covering the whole of Asia shall be drawn up for crises involving uprooted people.

Amendment 85

Article 4, paragraph 3, subparagraph 2

They shall contain a description of sectoral and cross-cutting priorities, specific objectives and expected results.

They shall contain a description of sectoral and cross-cutting priorities, specific objectives and expected results **based on the development and use of suitable achievement indicators of**.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Under the reformed approach to external assistance, quantifiable indicators are desirable for a complete appraisal of a project or indicative programme. Hence the need for the 'development and use of appropriated indicators' conceived to fill in a missing requirement in the multiannual indicative programmes.

Amendment 86

Article 4, paragraph 3, sub-paragraph 3a (new)

They shall contain a list of all bodies (government or public, non-profitmaking and private organisations,) which have been consulted prior to drawing up the multiannual indicative programmes.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

This amendment simply fills in a missing requirement. Under the reformed management of EC external aid, consultation with a wide range of bodies is an essential requirement. Hence the list proposed reflects the seriousness, transparency and commitment of the EC "to consult before deciding".

Amendment 87

Article 4, paragraph 3, subparagraph 4

They shall reflect the priorities identified and agreed with the Asian and Latin American partners concerned. They shall be updated as necessary.

They shall reflect the priorities identified and agreed with the Asian and Latin American partners concerned ***including consultation of the populations concerned.*** They shall be updated as necessary.

Technical note: For the Latin America Regulation delete "Asian and"; for the Asia Regulation delete "and Latin American".

Justification

Almost all cooperation programmes have a social and/or environmental component. The success of such programmes depends to a large extent on its adequacy to real needs, which

can only be determined in cooperation and consultation with the people concerned.

Amendment 88
Article 4, paragraph 4

4. Annual action plans based on the multiannual programmes shall be drawn up for each country, region or subregion eligible for Community cooperation.

They shall set out, as precisely as possible, for a given operational year, the aims being pursued, the fields of action and the budget provided.

They shall contain a list of cooperation activities to be financed by the Community. They shall specify the maximum amount of the Community financial contribution for each project and programme.

4. Annual action plans based on the multiannual programmes shall be drawn up for each country, region or subregion eligible for Community cooperation.

They shall set out, as precisely as possible, for a given operational year, the aims being pursued, the fields of action and the budget provided.

They shall contain a list of cooperation activities to be financed by the Community. They shall specify the maximum amount of the Community financial contribution for each project and programme.

The annual reports evaluating progress under the multiannual programmes and Country Strategy Papers shall be publically available to all stakeholders.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Public access and transparency in the programming of development cooperation.

Amendment 89
Article 4, paragraph 5

5. In ***particular situations***, specific cooperation measures not covered by annual action plans may be approved.

5. In ***exceptional circumstances due to unforeseen events***, specific cooperation measures not covered by annual action plans may be approved.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

The term 'particular situations' may allow misinterpretation. On the other hand 'exceptional circumstances' as a term has been used in Community legislation and is meant to include physical catastrophes or unexpected economic, financial or trade crises.

Amendment 90 Article 5, paragraph 2

2. Community financing may be used to cover in particular expenditure for preparing, implementing, monitoring, checking and evaluating projects and programmes and for information on ***cooperation activities***.

2. Community financing may be used to cover in particular expenditure for preparing, implementing, monitoring, checking and evaluating projects and programmes and for ***consultation and information on the availability of EC projects and their funding***.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Experience of the MEDA II and CARDS regulations as implemented and monitored has shown that 'cooperation activities' have been misunderstood. On the other hand there is need to make available to the public 'what is financed by the EC budget'. Transparency also requires that the defusing of information be made consistently and be concise but complete.

Amendment 91 Article 5, paragraph 3a (new)

3a. Community financing may be used for debt relief linked to existing international agreements in support of the objectives detailed in Article 2.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Amendment 92 Article 5, paragraph 5

5. Community financing may cover investment expenditure, including the

5. Community financing may cover investment expenditure, including the

purchase of real estate, when the latter is necessary for the direct implementation of the operation and provided that ownership is transferred to the recipient's local partners or the ultimate beneficiaries of the operation once the latter has come to an end.

purchase of real estate, when the latter is necessary for the direct implementation of the operation and provided that ownership is transferred to the recipient's local partners or the ultimate beneficiaries of the operation once the latter has come to an end. ***The purchase and transfer of real estate should under no circumstances infringe on the economic, social and cultural rights of minorities or indigenous peoples.***

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Amendment 93 Article 7

The financial reference amount for the implementation of Community cooperation under this Regulation for the period 2003 to 2006 shall be EUR 2 523 million for cooperation with Asia ***and EUR 1 270 million for cooperation with Latin America.*** Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

The financial reference amount for the implementation of Community cooperation under this Regulation for the period 2003 to 2006 shall be EUR 2 276 million for cooperation with Asia.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Technical note: This amendment affects only the Asia Regulation

Justification

Under the Commission proposal, EUR 2 523 million would be allocated for cooperation with the Asian partners and EUR 1 270 million for cooperation with the Latin American partners in the period 2003-2006. In practice, this constitutes a 42% increase in the allocation to Asia and a 5% decrease in that to Latin America in respect of the previous four-year period, and in fact implies a 34% to 66% split in funding between Latin America and Asia. That split is a long way off the 40% to 60% ratio that has come to be used as the reference.

In its Latin America Regional Strategy Document of 25 January 2002, the Commission itself estimated requirements under the budget line B7-310 to be EUR 1 725 million for the period 2002-2006.

Furthermore, the inclusion in this Regulation of the above-mentioned financial framework entails strict compliance with Articles 33 et seq. of the Interinstitutional Agreement of 6 May 1999, as also follows from a strict reading of the legal basis for the Regulation, which is to say Article 179 of the EC Treaty, codecision procedure.

Amendment 94
Article 7

The financial reference amount for the implementation of Community cooperation under this Regulation for the period 2003 to 2006 shall be **EUR 2 523 million for cooperation with Asia and EUR 1 270 million** for cooperation with Latin America.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

The financial reference amount for the implementation of Community cooperation under this Regulation for the period 2003 to 2006 shall be EUR **1 517** million for cooperation with Latin America.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Technical note: This amendment affects only the Latin America Regulation

Justification

Under the Commission proposal, EUR 2 523 million would be allocated for cooperation with the Asian partners and EUR 1 270 million for cooperation with the Latin American partners in the period 2003-2006. In practice, this constitutes a 42% increase in the allocation to Asia and a 5% decrease in that to Latin America in respect of the previous four-year period, and in fact implies a 34% to 66% split in funding between Latin America and Asia. That split is a long way off the 40% to 60% ratio that has come to be used as the reference.

In its Latin America Regional Strategy Document of 25 January 2002, the Commission itself estimated requirements under the budget line B7-310 to be EUR 1 725 million for the period 2002-2006.

Furthermore, the inclusion in this Regulation of the above-mentioned financial framework entails strict compliance with Articles 33 et seq. of the Interinstitutional Agreement of 6 May 1999, on the basis of a strict application of the legal basis for the Regulation, which is to say Article 179 of the EC Treaty and the codecision procedure.

Amendment 95
Article 7, point (a) (new)

(a) A benchmark of 35% of annual commitments under the annual budget for Latin American countries shall be allocated to social infrastructure expenditure, most of which shall go towards education and health. The gender perspective should be incorporated at all levels when the budgets are drawn up.

Technical note: This amendment affects only the Latin America Regulation

Justification

The 35% benchmark for social infrastructure was agreed with the European Commission for the 2002 budget. The amendment takes up the definition of social infrastructure proposed by the OECD Development Assistance Committee and emphasises the need to devote the bulk of the 35% in question to combating two of the prime causes of poverty and social inequality in Latin America.

Incorporating the gender perspective in the budget process should enable revenue and expenditure under all programmes and actions to be allocated in a way that ensures equal consideration is given to the needs of women and men, with the ultimate objective of achieving gender equality.

Amendment 96

Article 7, point (a) (new)

(a) A benchmark of 35% of annual commitments under the annual budget for the Asian countries shall be allocated to social infrastructure expenditure, most of which shall be devoted to education and health.

Technical note: This amendment affects only the Asia Regulation

Justification

The 35% benchmark for social infrastructure was agreed with the European Commission for the 2002 budget. The amendment takes up the definition of social infrastructure proposed by the OECD Development Assistance Committee and emphasises the need to devote the bulk of the 35% in question to combating two of the prime causes of poverty and social inequality in Asia.

Amendment 97

Article 7, point (b) (new)

(b) The resulting budget appropriations earmarked to ensure that 35% of annual commitments are allocated to social infrastructure are also to be used to finance a Biregional Solidarity Fund, without this entailing any increase in the annual amounts allocated.

The activities of the Biregional Solidarity Fund shall be geared towards the management and financing of sectoral programmes relating to health, education and the combating of extreme poverty, as a priority in those countries and regions with the lowest per capita income indexes and greater social inequalities, but also eventually in all Latin American countries.

Financial organisations (EIB, IDB, World Bank, etc.) and countries with an interest in the activities of the Biregional Development Fund may be involved in that Fund.

The Biregional Development Fund should be able to call on sufficient budgetary resources and shall be coordinated by the European Commission, in association with those international financial organisations and with those other countries which contribute to it.

Technical note: This amendment relates only to the regulation on Latin America.

Justification

This proposal is aimed at the creation of the Biregional Solidarity Fund proposed by Parliament in paragraphs 35 et seq. of its resolution of 15 November 2001, as a concrete instrument for fulfilling the commitment given by the Union to the strategic biregional partnership proclaimed at the summits in Rio de Janeiro in 1999 and Madrid in 2002.

The implementation of this fund will not entail any additional expenditure and is strictly financially neutral. The participation of other interested bodies and countries is aimed at bringing about a multiplier effect in the acquisition of resources, whose management would be the responsibility of the European Commission in cooperation with the remaining participants.

There is no doubt that a fund of this type would constitute an extremely useful instrument for responding to the crises which have affected some of the countries in the region, and would provide the EU with a flexible response mechanism, in line with other donors, which will demonstrate the EU's resolve to encourage and consolidate processes of political, economic and social stability in Latin America.

Amendment 98
Article 7, paragraph 2

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective **and on the basis of objective criteria reflecting poverty levels, population and performance.**

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Planned allocation of resources should be reviewed and suitable allocation criteria, reflecting a country's population, poverty and performance, should be employed to determine future levels of assistance.

Amendment 99 Article 8

In addition to national and federal governments, partners eligible for financial support under this Regulation may include regional and international organisations (including United Nations agencies), **non-governmental organisations**, national, provincial and local administrations and agencies, **community-based organisations, and public or private institutes and operators.**

In addition to national and federal governments, partners eligible for financial support under this Regulation may include regional and international organisations (including United Nations agencies), national, provincial and local administrations and agencies **and non-state actors.**

The complementary role of and potential for contributions by non-State actors to the development process should be recognised. Non-state actors shall comprise private sector, economic and social partners, including trade union organisations, civil society in all its forms according to national characteristics.

To this end, non-state actors should, where appropriate

- be informed and involved in consultation on cooperation policies and strategies, on priorities for cooperation especially in areas that concern or directly affect them, and on political dialogue;

- be provided with financial resources, under the conditions laid down in this Regulation comprising up to 15 per cent of the total funds available, in order to support local development processes;

- be involved in the implementation of cooperation projects and programmes in areas that concern them where these actors have a comparative advantage.

- be provided with capacity-building support in critical areas in order to reinforce the capabilities of these actors, particularly as regards organisation and representation, and the establishment of consultation mechanisms including channels of communication and dialogue, and to promote strategic alliances.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Amendment 100
Article 9, paragraph -1

-1. In the following provisions, "developing countries" and "least developed countries" refers to those countries defined as such by the OECD Development Assistance Committee (DAC).

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

To maintain legal certainty, the countries eligible to participate in tenders relating to actions carried out under this Regulation must be defined.

Amendment 101
Article 9, paragraph 1

1. Participation in invitations to tender and

1. Participation in invitations to tender and

contracts shall be open on equal terms to all natural and legal persons from the Member States, candidate countries for accession to the European Union and, **for the purposes of cooperation activities in their respective regions, from the Asian and Latin American partners.**

contracts shall be open on equal terms to all natural and legal persons from the Member States, candidate countries for accession to the European Union and **all developing countries.**

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Developing country enterprises should be allowed full participation in tenders and contracts for EC development activities.

Amendment 102 Article 9, paragraph 2

2. The Commission may, on a case-by-case basis, extend participation to natural and legal persons of other developing countries and, in the case of programmes fostering regional cooperation and integration in Asia, of the Asian countries and territories listed in Annex II.

Deleted

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Developing countries listed in Annex II fall under Article 9 (1) as amended. Donor countries listed in Annex II fall under Article 9 (3).

Amendment 103 Article 9, paragraph 5a (new)

5a. Measures shall be taken to encourage the widest participation of natural and legal persons of developing countries, and

in particular, least developed countries, in the performance of contracts financed under this Regulation in order to permit the optimisation of the physical and human resources of those countries.

To this end:

(a) for works contracts of a value of less than EUR 5 000 000, tenderers of developing countries, provided that at least one quarter of the capital stock and management staff originates from one or more developing countries, shall be accorded a 10% price preference where tenders of an equivalent economic, technical and administrative quality are compared; for tenderers of least developed countries, the price preference shall be 15% where the same conditions are met;

(b) for supply contracts, irrespective of the value of the supplies, tenderers of developing countries who offer supplies of at least 50% in contract value of developing country origin, shall be accorded a 15% price preference where tenders of equivalent economic, technical and administrative quality are compared; for tenderers of least developed countries, the preference will be 20% where the same conditions are met;

(c) in respect of service contracts, given the required competence, preference shall be given to;

(i) experts, institutions or consultancy companies or firms from developing countries where tenders of equivalent economic and technical quality are compared,

(ii) offers submitted by a developing country firm in a

consortium with European partners, and

(iii) offers presented by European tenderers with developing country sub-contractors or experts.

In each case, further preference will be given where the developing country participants originate from a least developed country;

(d) where subcontracting is envisaged, preference shall be given by the successful tenderer to natural persons, companies and firms of developing countries, and particularly least developed countries, capable of performing the contract required on similar terms; and

(e) the developing country may, in the invitation to tender, propose to the prospective tenderers the assistance of other developing countries' companies or firms or national experts or consultants selected by mutual agreement. This cooperation may take the form either of a joint venture, or of a subcontract or of on-the-job training of trainees.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

This amendment incorporates in the ALA Regulation preferences that are currently accorded to ACP countries under the Cotonou Agreement. It also adds further preferences for enterprises from least developed countries which may otherwise find it impossible to compete with their counterparts from wealthier developing countries.

Amendment 104
Article 11, paragraph 1

1. The strategy papers, multiannual indicative programmes and annual action plans referred to in Article 4 shall be adopted in accordance with the procedure referred to in Article 12(2). Decisions on annual action plans are to be considered financing decisions for the projects and programmes specified in that annual action plans.

Amendments to decisions referred to in the first subparagraph shall be adopted in accordance with the same procedure, except where amendments do not exceed 20% of the global amount allocated to the annual action plan or do not substantially change the nature of the projects or programmes contained in the annual action plan. In that case, the amendments will be adopted by the Commission, which shall inform the committee set up in Article 12(1).

1. The strategy papers, multiannual indicative programmes and annual action plans referred to in Article 4 shall be ***drawn up in consultation with stakeholders in the Asian or Latin American countries concerned, including government authorities at national, regional and local level, parliaments, non-governmental organisations, organisations of indigenous peoples, the private sector and other relevant civil society actors.*** They shall be adopted in accordance with the procedure referred to in Article 12(2). ***The European Parliament shall be consulted at the earliest stage.*** Decisions on annual action plans are to be considered financing decisions for the projects and programmes specified in those annual action plans.

Amendments to decisions referred to in the first subparagraph shall be adopted in accordance with the same procedure, except where amendments do not exceed 20% of the global amount allocated to the annual action plan or do not substantially change the nature of the projects or programmes contained in the annual action plan. In that case, the amendments will be adopted by the Commission, which shall inform the committee set up in Article 12(1).

Technical note: In 1st subpara, for the regulation on Latin America delete "Asian or" and for the regulation on Asia delete "or Latin American".

Justification

Amendment 105
Article 12, paragraph 1

1. The Commission shall be assisted by a committee, referred to as "the ALA Committee", composed of representatives of the Member States and chaired by a representative of the Commission.

1. The Commission shall be assisted by a committee, referred to as "the ALA Committee", composed of representatives of the Member States and chaired by a representative of the Commission. ***The Committee shall meet once a year with representatives of civil society organisations working on the goal to eradicate poverty for a consultation on the ALA programme.***

Technical note: For the Latin America Regulation replace "ALA" with "Latin America"; for the Asia Regulation, replace "ALA" with "Asia".

Justification

The Committee takes decisions with little or no knowledge of the situation on the ground. Consultation with organisations working on the ground will enhance the work of the Committee.

Amendment 106 Article 12, paragraph 1

The Commission shall be assisted by a committee, referred to as "***the ALA Committee***", composed of representatives of the Member States and chaired by a representative of the Commission.

The Commission shall be assisted by a committee, referred to as 'the ***Latin America Committee***', composed of representatives of the Member States and chaired by a representative of the Commission.

Technical note: This amendment applies only to the Latin America Regulation. See technical note to Amd 105.

Justification

Accordance with the Committee on Development's position on the untying of aid.

Amendment 107
Article 13, paragraph 1

1. In the interests of the consistency, efficiency and complementarity of Community cooperation, the Member States and the Commission shall organise, including on the spot, a frequent and regular exchange of information on the operations they intend to implement. They shall keep each other informed about their programme strategy, priority sectors, evaluations and their ongoing and future cooperation.

1. In the interests of the consistency, **coherence**, efficiency and complementarity of Community cooperation, the Member States and the Commission shall organise, including on the spot, a frequent and regular exchange of information on the operations they intend to implement. They shall keep each other informed about their programme strategy, priority sectors, evaluations and their ongoing and future cooperation. ***This information shall also be made available to the European Parliament and national parliaments of the Member States and the partner countries.***

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

This information is necessary to ensure proper parliamentary accountability is maintained, both at EU level and in the Member States and the partner countries. In the Treaty the principles are: coherence, consistency, coordination and complementarity.

Amendment 108
Article 14

Every year the Commission shall submit, in its annual report on Community external assistance to the European Parliament and the Council, information on the operations financed under this Regulation.

The Commission shall submit ***to the European Parliament and the Council copies of all strategy papers, multiannual indicative programmes and annual action plans when they are adopted, as well as the (multi-)annual reviews of their implementation. These documents shall be accompanied by a list of all bodies, including government authorities at national, regional and local level, parliaments, non-governmental organisations, the private sector and other relevant civil society, consulted during the drawing-up of the documents.***

The Commission shall *also* submit, *every year* in its annual report on Community external assistance to the European Parliament and the Council, information on the operations financed under this Regulation.

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

This information is necessary to ensure proper parliamentary accountability is maintained at EU level.

Amendment 109 Annex II

Brunei Darussalam
Chinese Taipei
Hong Kong
Korea, Republic of
Kuwait
Japan
Macao
Qatar
Singapore
United Arab Emirates

deleted

Technical note: This amendment should be included in both the regulation on Latin America and the regulation on Asia

Justification

Amendment 61 deletes the reference to annex II in article 9.

EXPLANATORY STATEMENT

The current Regulation governing cooperation with Asia and Latin America is now over ten years old and needs to be updated to reflect modern advances in conceptions of development work as well as the legal, procedural and political environment for EC cooperation.

In the European Parliament, the debate over the European Commission's proposal for a new ALA Regulation was initiated by the publication of a Working Document¹ by your rapporteur and by the holding of a very successful Hearing in the Committee on Development and Cooperation on 19 February 2003.

Since that date, the debate has developed considerably and discussions have been held in several parliamentary committees focussing mainly on the way the proposal should be addressed. Your rapporteur feels the need to elaborate on this delicate matter before introducing her proposed amendments.

Procedural Question

The issue that has become particularly important in recent discussions relates to the procedure to be followed in this case. Some colleagues have expressed concern at the inclusion of two such different geographical areas under a single legal instrument and have voiced the wish to keep them separate. Three possible alternatives have been put forward to achieve this:

- 1) Rejection of the current proposal with a request that the Commission bring forward two separate proposals at a future date
- 2) A Report including amendments leading to two separate regulations
- 3) A Report maintaining the principle of a single regulation but including amendments to create separate chapters for each of the geographical regions.

Approach No 1

The first approach is favoured by the Committee on Foreign Affairs which, instead of adopting an opinion on the Commission Proposal, has delivered a letter to the Chairman of the Committee on Development declaring that it is "in favour of referring back the Commission's initial proposal and calling upon the Commission to present two separate proposals for Regulations applying to Asia and Latin America..."

Approach No 2

¹ PE 310.518

The second approach would build on a precedent set in the Committee on Industry, Trade, Research and Energy in the Rapkay/Turmes Report¹. In this case the Commission issued a proposal for a single Regulation on the Internal Market in Electricity and Natural Gas, an approach which was opposed by both Parliament and Council. Parliament adopted amendments to produce two separate regulations and Council responded with two Common Positions. The Committee on Development requested a Legal Opinion to show whether this precedent could apply to the ALA proposal, which was not available at time of writing.

Approach No 3

This approach allows for the differences between the two continents to be reflected in the area where they are important - the objectives of development actions. The same text on implementation and decision-making can be retained for both regions. Differentiation there is unnecessary and would entail duplication of management committees and increased use of personnel, going against the drive to simplify and streamline procedures that is at the heart of the Commission's reform of external actions.

Rapporteur's recommendation

In the light of opposition from Council and the Commission, your rapporteur feels that any decision to seek two regulations would have to be accompanied by irrefutable arguments, which may serve to encourage more flexibility in the other institutions, both of which have key roles in the co-decision process. Arguments used to date, which have centred on institutional competencies and comparisons with other regions rather than the substance of the draft legislation, have lacked the necessary strength. It is not clear what the supporters of two regulations wish to achieve by division that could not also result from two chapters. Indeed, if one of their main concerns were the maintenance of the 60:40 funding ratio, this could only be given legal force if both regions remain covered by a single regulation.

However, if the advantages could be set out clearly, your rapporteur would, in the spirit of compromise, be open to amendments along the lines outlined in Approach 2 above. In this case, it is to be hoped the arguments may also convince the Commission, as a negative opinion from them would mean unanimity would be required in Council.

Your rapporteur does not feel it would be at all appropriate to follow the route of Approach 1. This would have seriously negative consequences for the timetable of the work in Parliament and would risk leaving insufficient time for productive negotiations. Furthermore, if Parliament rejected the current proposal, it would not be realistic to think the Commission would then use its exclusive right of initiative in a way that it considers fundamentally contrary to its interest – as would be the case if it were to accede to Parliament's request for separate proposals for each region. Hence, Approach 1 would most likely result in Parliament losing the opportunity to bring the ALA Regulation into line with modern development practices – incorporating such benefits as genuine commitment to poverty-focus, developing country ownership, participation of civil society and proper parliamentary accountability. Your rapporteur feels strongly that it would be a mistake to sacrifice the content to arguments over the form in this way.

¹ A5-0077/2002

Rapporteur's Proposed Amendments

The Commission proposed a lightweight legislative framework concentrating mostly on procedures for implementation and decision-making. The proposal is particularly light on policy objectives which were intended to be included in programming documents under a comitology procedure in which Parliament would play no part. The draft report seeks to address this deficiency, as well as giving legal form to other principles of traditional interest to Parliament.

Moreover, the rapporteur insists on division of the Regulation to include separate chapters on each region, thereby sending a clear political message that they differ markedly and must be given individual treatment. Implementation and decision-making remain subject to joint provisions.

Policy Objectives

The report seeks to implement Council's commitment to poverty eradication as "the main objective of Community development policy"¹, and brings other overall objectives into line with the Treaties.

Specific objectives are the subject of the separate chapters for each region and have been presented in two parts. The first section in each of the chapters covers crosscutting factors which are obligatory for all development actions, including such elements as spending benchmarks, gender mainstreaming and environmental assessments. The second section in each chapter gives details of the actions which may be financed under the Regulation. However, the principle of developing country ownership means the precise priorities for each country must be left to be established in programming documents drawn up with full participation by interest groups in the country concerned.

The policy objective of combating organised crime, terrorism and illegal migration, which is in the proposal, has not been included in this report. This does not fall within the development objectives outlined in Art 177 of the Treaty and was not included among the six policy objectives of community development policy established by Council in 2000². Your rapporteur feels that such concerns are best served by addressing the root causes that lead to terrorism and illegal migration, particularly by concentrating efforts on poverty eradication.

Financial Framework

Your rapporteur has made no proposal to modify the figures outlined in the Commission proposal since these are aimed at maintaining the accepted 60:40 ratio over the full period of the current financial perspective, 2000-2006. She considers it important to view the figures in the context of this period rather than seeking to make the annual figure for any single year a basis for future calculations.

Developing country ownership

¹ Conclusions of the Development Council 10 November 2000

² *ibid*

Although “ownership” is now a well-established principle of development cooperation activities world-wide, and the Commission has often mentioned it in other contexts, the ALA proposal made little reference to the role envisaged for developing countries themselves in drawing up the programmes affecting them. This report seeks to redress the balance by stressing developing country participation in identifying and agreeing priorities. Furthermore, to avoid a problem common to programmes implemented by various donors, it is stressed that “ownership” should not be limited to certain ministries within a country’s central government but must extend to all interested stakeholders, including local governments, parliaments, NGOs and private sector organisations.

Untying of aid

While recognising that the Commission’s proposal represented a useful step forward in the area of untying of aid, your rapporteur favours a much more radical approach bringing the provisions for Asia and Latin America into line with those already in place for the ACP countries. She also proposes additional preferences for least developed countries to give them opportunities to compete with other developing countries. These measures are justified in the light of recent analyses showing the least developed countries’ limited competitive capacity has made it difficult for them to derive benefit from the “Everything But Arms” provisions for trade liberalisation.

Parliamentary accountability

This report contains a number of amendments aimed at improving parliamentary accountability, to allow for greater scrutiny not only by the European Parliament but also by Member State parliaments and the parliaments of the developing country partners. These aim not only to ensure European authorities are called to account but also to reinforce parliamentary democracy in partner countries.

A fundamental prerequisite of parliamentary accountability is access to information, so amendments are included to strengthen reporting provisions.

Conclusion

The legal framework governing cooperation with the countries of Asia and Latin America clearly needs improvement, the essence of which is framed in this report. Your rapporteur sincerely hopes work may continue on this basis for the benefit of constructive and fruitful cooperation with each of the regions in pursuit of our common goal - the eradication of world poverty.

21 May 2003

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Development and Cooperation

on the proposal for a European Parliament and Council regulation on Community cooperation with Asian and Latin America countries and amending Council Regulation (EC) N° 2258/96 (COM(2002) 340 – C5-0368/2002 – 2002/0139(COD))

Draftsman: Joaquim Píscarreta

PROCEDURE

The Committee on Budgets appointed Joaquim Píscarreta draftsman at its meeting of 12 September 2002.

It considered the draft opinion at its meeting of 21 May 2003 .

At the last meeting it adopted the following amendments unanimously.

The following were present for the vote Terence Wynn (chairman), Anne Elisabet Jensen (vice-chairman), Joaquim Píscarreta (draftsman), Kathalijne Maria Buitenweg, Joan Colom i Naval, Den Dover, Göran Färm, Salvador Garriga Polledo, Guido Podestà, Kyösti Tapio Virrankoski and Ralf Walter.

SHORT JUSTIFICATION

Introduction

The Commission has presented a proposal for a Regulation on cooperation with Asian and Latin American countries. The duration is for an indefinite period, although the Financial Framework is defined for the period 2003-2006.

The proposed Regulation would not simply replace the current ALA regulation. It would also serve as the legal basis for other actions in Asia and Latin America, presently covered by separate regulations. The Commission's proposal would:

- replace the current ALA regulation, (EEC) 443/92
- replace the regulation on "aid to uprooted people in Asian and Latin American countries", (EC) 2130/2001
- include reconstruction and rehabilitation measures for Asian and Latin America currently covered by the regulation on "rehabilitation and reconstruction operations in developing countries", (EC) 2258/96

The proposal provides the general framework for cooperation with these regions, emphasising common rules and procedures which are to be followed (implementation procedures, decision-making procedures) . The specific policy content is only expressed in broad terms, in order that the Regulation be flexible enough to allow cooperation to evolve over time and with changing circumstances. It is a piece of "enabling legislation" mandating to the Commission a large degree of flexibility. Specific political and operational guidelines for the regions concerned are not included and would be dealt with through an increased emphasis on programming (especially multi-annual programming), but also annual programming. Such programming would be based on Country Strategy Papers developed for each of the partner countries.

Budgetary aspects

This proposal would replace two existing legal bases and part of a third one. Two of these were adopted under the former cooperation procedure (ALA and Reconstruction) whereas the third one (Uprooted people) was adopted under co-decision. They contain financial provisions as follows:

Existing Regulation	Type	Financial provision
ALA, 443/1992	Council Regulation	"Amount deemed necessary" 2.750 million for 1991-1995
Reconstruction, 2258/1996	Council Regulation	none
Uprooted people, 2130/2001	Council and Parliament Regulation (co-decision)	"Financial Framework" 200 million for 2001-2004

It is clear that these provisions do not constitute a sufficient comparison with what the Commission is now requesting in financial terms. Appropriations decided by the budgetary authority in the annual procedure are more relevant in this case. A comparison should be made between what is being asked and existing budgets in this area, the possible restraints under heading 4, and the existing margin.

Before looking at the budgetary amounts proposed by the Commission, and to put things into a slightly longer-term perspective, below is a summary of the budgets from 1999 onwards (figures incl. SABs):

Chapter	million €	1999	2000	2001	2002	2003
B7-30	Asia	438	446	446	558	562
B7-31	Lat.America	314	336	336	347	337
	Total	752	782	782	905	899

The Commission suggests a Financial Framework (2003 to 2006) for the regulation which is split between the two regions, € 2 523 million for Asia and € 1 270 million for Latin America.

It should be noted that this includes € 7,55 million from the category "other operations in favour of Middle East developing countries" which is legally covered by the ALA regulation though, in the budgetary structure, it is currently included under the MEDA chapter (B7-432).

The Commission's proposal looks as follows (indicative multi-annual programming):

million €	year n (2003)	n+1 (2004)	n+2 (2005)	n+3 (2006)	subs. years	Total
Latin America	330	310	315	315		1 270
Asia	554	633	658	678		2 523
Total	884	943	973	993		3 793

The Commission does not indicate in the Financial Statement (which would be standard procedure) whether, in its opinion and in accordance with its programming exercise, these amounts are compatible with financial ceiling of heading 4 without re-programming or whether re-programming is necessary. The rapporteur assumes, therefore, that the Commission considers it compatible without re-programming.

Since the proposal was presented, the 2003 budget has been adopted. The 2003 adopted amounts are € 337 million for Latin America and € 570 million for Asia, a total of € 907 million.

The rapporteur notes that, assuming a deflator of 2% annually (as normally used for the purposes of EP programming estimates), the adopted budget 2003 figures could be extrapolated as follows:

million €	2003	2004	2005	2006	Total
Total	907	925	943	962	3 737

It can be seen that the difference over the four years between the Commission's proposal and a year-on-year increase of 2% on the 2003 budget figures is € 56 million (3.793-3.737) or € 14 million per year.

It should be noted that the 2003 budget figures are by themselves already at the same level as in 2002 when the entire margin, at that time €70 million, was used to top up funding for Afghanistan through Supplementary and Amending Budget 4/2002.

Although there is currently a margin of € 22,6 million under heading 4, this is of course a minor amount considering the possible needs in the external sector. On balance, however, and considering the possibility of freeing up resources within heading 4 through the shift of appropriations for Turkey to heading 7 (from 2004), as well as the overall volume of heading 4 compared to increase requested, the rapporteur considers that the Commission's proposal is compatible with the ceiling.

The rapporteur notes that the Commission proposal indicates a split between Asia and Latin America of approximately 60%-40% over the current Financial Perspective. He is of the opinion that Cobu should deal only with the overall amounts. Any formal division of the funds between regions will be the responsibility of the specialised committees as far as the legislative text is concerned.

The rapporteur notes that the amounts suggested include a sustained commitment to Afghanistan according to the EU pledge made in Tokyo. However, as far as the rapporteur is aware, little or nothing is foreseen for assistance to Iraq. He is of the opinion, in any case, that any major intervention in that area, under this Regulation or elsewhere under heading 4, should not be done at the expense of existing programmes and should therefore be the subject of separate proposals from the Commission, if necessary using all means foreseen by the Interinstitutional Agreement of 6 May 1999.

Rule 63a and Rule 159 of the Rules of procedure

The rapporteur reminds the lead committee of these provisions, which aim to assure compatibility between legislative acts and budgetary realities. The Budgets Committee should be re-consulted if changes are made to the financial provisions.

RALs (outstanding commitments, "reste a liquider")

The rapporteur stresses that cooperation with Asia and Latin America has a questionable record of translating committed appropriations into actual payments in these countries. This should be taken into account in the legislative procedure. In conjunction with the reform process, especially deconcentration, common rules and procedures for implementation and decision-making should be encouraged, as this would be beneficial for real implementation in these countries.

The RAL at 31.12.2002 was as follows:

Asia B7-30	€ 2 053 million	equivalent to 3,6 times the budget for 2003
Latin America B7-31	€ 1 397 million	equivalent to 4,1 times the budget for 2003
Total	€ 3 450 million	equivalent to 3,8 times the budget for 2003

Comitology

It is proposed that strategy papers, multi-annual indicative programmes and annual action plans be treated in the comitology committee according to the management procedure. This is a step forward compared to dealing with individual projects in the committee, which is currently the case for any project over € 1 million. Hopefully this will contribute to reducing administrative bottlenecks and to ensure that the committee concentrates on strategic issues rather than getting involved at project level. Although Cobu traditionally advocates the advisory procedure, the rapporteur, in this case, estimates that the more strategic issues to be treated in the committee are suited to the management procedure. This is particularly the case considering the "framework nature" of the Regulation. However, if the specialised committees were to change the Regulation so that it covered in greater detail the political guidelines and strategies, he would recommend that an amendment be inserted in favour of the advisory procedure.

AMENDMENTS

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

Amendment 1

Amendment to the legislative resolution

Considers that the financial statement of the Commission proposal is compatible with the ceiling of heading 4 of the Financial Perspective without restricting other policies.

Text proposed by the Commission¹

Amendments by Parliament

Amendment 2
Recital 8 (a) new

Special attention shall be given to improving the implementation of cooperation with Asian and Latin American countries, achieving a sound balance between financial resources allocated and absorption capacity, as well as to reducing outstanding commitments. In this respect, the simplification and rationalisation of common implementation procedures and decision-making procedures shall be taken into account.

Justification

The level of outstanding commitments for these two regions amounts to nearly 4 times their current annual budget. A simplification and rationalisation of common procedures should be encouraged to improve this situation.

¹ OJ C ##, ##, p. ##.

10 June 2003

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Development and Cooperation

on the proposal for a European Parliament and Council regulation on Community cooperation with Asian and Latin American countries and amending Council Regulation (EC) No 2258/96 (COM(2002) 340 – C5-0368/2002 – 2002/0139(COD))

Draftsman: Paolo Pastorelli

PROCEDURE

The Committee on Industry, External Trade, Research and Energy appointed Paolo Pastorelli draftsman at its meeting of 10 October 2002.

It considered the draft opinion at its meetings of 25 March 2003, 30 April 2003, 22 May 2003 and 10 June 2003.

At the latter meeting it adopted the following amendments by 29 votes to 4, with 0 abstentions.

The following were present for the vote Peter Michael Mombaur (acting chairman), Paolo Pastorelli (draftsman), Konstantinos Alyssandrakis, Per-Arne Arvidsson, (for Concepció Ferrer), Sir Robert Atkins, María del Pilar Ayuso González, Luis Berenguer Fuster, Guido Bodrato, Gérard Caudron, Giles Bryan Chichester, Nicholas Clegg, Colette Flesch, Alfred Gomolka (for Bashir Khanbhai), Michel Hansenne, Dimitrios Koulourianos, (for Roseline Vachetta), Werner Langen, Peter Liese (for Paul Rübzig), Caroline Lucas, Marjo Matikainen-Kallström, Eryl Margaret McNally, Bill Newton Dunn (for Willy C.E.H. De Clercq), Angelika Niebler, Giuseppe Nisticò (for Umberto Scapagnini), Josu Ortuondo Larrea (for Nuala Ahern), John Purvis, Imelda Mary Read, Mechtild Rothe, Christian Foldberg Rovsing, Esko Olavi Seppänen, W.G. van Velzen, Alejo Vidal-Quadras Roca, Olga Zrihen Zaari., Marcelino Oreja Arburúa(for Konrad K. Schwaiger pursuant to Rule 153(2)).

SHORT JUSTIFICATION

The proposal seeks to *improve the effectiveness* of the EC programme of cooperation with a selected number of Asia and Latin American countries (ALA) (see proposal's Annex I). The core objective is to reduce poverty, promote sustainable development and contribute to prosperity, security and stability. The proposal is based on the following commitments undertaken by the EU:

- a) The Reform of the Management of EC External Assistance to the third countries,
- b) The Ministerial Declaration of the 4th WTO Conference held in Doha in 2001,
- c) The proposal concerning the fight against HIV/AIDS, tuberculosis and malaria,
- d) The communication on untying development aid to the least developed countries,
- e) The position of the EC on the Johannesburg World Summit in 2002

Consequently the draftsman would assess the proposal under consideration in the context of the competence of the ITRE committee and the EP positions on the above mentioned and related subjects.

After the Council's conclusions of 10 November 2000 on the reform of the management of EC external aid we have had at least two regulations: MEDA II ¹ and CARDS ², which may help us improve the ALA proposal, as well as a number of bilateral Agreements with developing countries from which we may draw useful suggestions.

The Declaration on the WTO Conference in Doha merits particular attention on at least two grounds. Firstly, the preparatory work has started and the negotiations should be concluded not later than 1 January 2005. Hence all issues raised in the Declaration which are of interest and importance to the ALA countries, would have to be negotiated during the same period.

Secondly, a follow-up summit, the Johannesburg World Summit was held in August - September 2002, which reiterated the commitment of the EU with regard to the least developed countries in the field of external aid and closer cooperation between the EU and the ALA countries.

The first reading by the EP on the proposal for Community participation to combat HIV/AIDS, malaria and tuberculosis has been completed. An informal triologue (Commission, Council and EP) has arrived at an understanding, aiming at finding reasonable answers to the issues raised by the ITRE committee. The EP expects. And the second reading is almost over.

The ITRE committee will draft its own opinion on the Communication from the Commission on 'untying aid' (COM (2002) 639). The matter is important to the ALA countries and relevant to the proposal under consideration. In particular, Article 9 of the ALA provides for the untying of aid. However, as drafted, Article 9 is not very clear because of four related issues. First, the definition of *tied aid* is generally not given; it refers to the provision that *aid is provided on the basis that the recipient country uses the funds to buy goods and services from the donor country*.

¹ Reg (EC) No 2698/2000, (OJ L 311, 12.12.2000)

² Reg (EC) No 2666/2000, (OJ L 306, 7.12.2000)

Second, Article 9 of the ALA proposal should be seen in the overall context of the proposed regulation, namely its Annex I which lists the ALA recipient *countries* of EUR 3 793 million for the period 2003 to 2006.

Third, Article 9 (2) empowers the Commission to extend participation of Asian countries and territories listed in Annex II in the 'invitations to tender and contracts'.

Fourth, the *principle of reciprocity* is invoked whenever the Commission under Article 9 (3) is used for cases of co-financing provided by *other financing countries*.

There are a number of provisions contained in the ALA proposal, which are of indirect interest to this opinion-giving committee. These are:

- a) Whether or not the list of ALA parties as shown in Annexe I should be amended. The draftsman would prefer to propose certain criteria (see his amendment to recital 14a), which would result in two categories of beneficiary ALA countries: *least developed countries* and *lower middle developing countries*. The draftsman's criteria slightly amends the order of the OECD/DAC list;
- b) Whether or not Community financing could take the form of grants and of *risk capital lending* by the European Investment Bank from EC budgetary resources, as it is done for the MEDA programme;
- c) Whether or not the allocation of EC aid to Asian and Latin American countries is correct. This issue is a difficult one because under Article 7, the total of EUR 3 793 million, is divided between the Asian countries receiving EUR 2 523 million (66,5%) and the Latin American countries being granted EUR 1270 million (33,5%);
- d) Whether or not Annex II on Asian countries, other than ALA countries, eligible to participate in invitations to tender and contracts, should be revised. The list is particularly important because a number of 'would be donor countries' are excluded by definition and a number of listed countries are not so generous donor countries to least developed countries, nor have they respected the *principle of reciprocity* ;
- e) Whether or not financing of small projects not exceeding €5 million be adopted, following the procedure foreseen by commitology, by the management committee.

However, the draftsman would leave these issues to the committee responsible. In such a context the ITRE committee would like to make a number of amendments, duly justified, to the ALA proposal with a single objective: to improve the proposal by taking account of the above mentioned commitments of the EU.

AMENDMENTS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Development and Cooperation, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission ¹	Amendments by Parliament
	<p data-bbox="683 450 906 521">Amendment 1 Recital 5 a (new)</p> <p data-bbox="839 555 1426 846"><i>Strategy papers must ensure respect for and support the implementation of international environment agreements ratified by the EU and the partner countries, such as the Convention on Biological Diversity, the Convention on Desertification and the Framework Convention on Climate Change.</i></p> <p data-bbox="711 898 877 931"><i>Justification</i></p> <p data-bbox="180 965 1302 1037"><i>Emphasis should be placed on the need to support and encourage efforts to implement international conventions on the environment in the partner countries.</i></p>
<p data-bbox="180 1178 746 1503">(6) The members of the World Trade Organisation (WTO) committed themselves at the 4th Ministerial Conference in Doha to mainstreaming trade in development strategies and to providing trade-related technical and capacity-building assistance to help developing countries take part in new trade negotiations and implement their results.</p>	<p data-bbox="703 1070 890 1142">Amendment 2 Recital (6)</p> <p data-bbox="839 1178 1393 1720">(6)The members of the World Trade Organisation (WTO) committed themselves at the 4th Ministerial Conference in Doha to mainstreaming trade in development strategies and to providing trade-related technical and capacity-building assistance <i>as well as the necessary measures seeking to facilitate the transfer of technology via trade, to enhance the relationship between foreign direct investment and trade, and mutual responsiveness of trade and environment,</i> and to help developing countries take part in new trade negotiations and implement their results.</p>

¹ Not yet published in OJ..

Justification

This amendment simply completes the recital on the EU commitment with regard to the least developed countries arising from the 4th Ministerial Declaration on the Doha WTO Conference. The additions made are taken from the said Declaration (points 37, 20, 31, and 27).

Amendment 3 Recital 7

The Commission plans to support the preparation and implementation of a new generation of economic reforms in the countries of Asia and Latin America, in line with the Council Resolution of 18 May 2000 on economic reforms and structural adjustment in developing countries. In so doing, it will ensure proper coordination with other donors, in particular Member States and the Bretton Woods Institutions.

The Commission plans to support the preparation and implementation of a new generation of economic reforms in the countries of Asia and Latin America, in line with the Council Resolution of 18 May 2000 on economic reforms and structural adjustment in developing countries, ***with the aim of eradicating poverty, promoting food security and rural development, according to the spirit of the Rome World Food Summit.*** In so doing, it will ensure proper coordination with other donors, in particular Member States and the Bretton Woods Institutions.

Justification

The aim of poverty eradication and food security are essential for any meaningful cooperation policy.

Amendment 4 Recital (11)

(11) To promote economic relations within the two regions and in conformity with the ***OECD Development Assistance Committee's (DAC) recommendation of 26 April 2001 on untying official development aid to the least developed countries and the Commission declaration annexed to it, provision should be made for opening up participation in invitations to tender and contracts, on a regional basis, to Asian and Latin American partner countries, taking into account the content of the above-mentioned declaration in the field of services and***

(11) To promote economic relations within the two regions and in conformity with the ***Decision of the European Parliament and the Council on Community participation in a research and development programme, which is aimed at developing new clinical interventions to combat HIV/AIDS, malaria and tuberculosis through a long term partnership Europe and the developing countries, as undertaken by several Member States.*** In addition, participation in invitations to tender and contracts for Community cooperation with the least developed

products essential in the fight against HIV/AIDS, tuberculosis and malaria. In addition, participation in invitations to tender and contracts for Community cooperation with the least developed countries eligible under this Regulation is fully opened up for the categories specified in that recommendation.

countries eligible under this Regulation is fully opened up for the categories specified in that recommendation.

Justification

This amendment updates the legal framework in which the EU assistance to third countries should be handled. The reference made to the OECD - DAC recommendation is redundant because it has been taken over in this forthcoming Decision, which is now before the Council pending its common position and expected to be adopted before the adoption of the ALA proposal.

Amendment 5 Recital 13a (new)

(13a) The attribution of the financial reference amount for the period concerned - to the extent that unforeseen events do not render the principle of proportionality inapplicable - will follow the principle of 60 per cent for the Asia and 40 per cent for the Latin America countries.

Justification

The principle of proportionality based on the 60:40% rule has been the working principle and practices of the existing regulation (EEC) No 443/92, as implemented since its adoption in 1992.

Amendment 6 Recital 14 a (new)

The allocation of resources as well as the choice of eligible Asian and Latin American (ALA) countries should be reviewed and suitable criteria should be established to reflect a country's population, internal inequalities, per capita income, poverty, export potential and economic performance, for their eligibility to become either 'Asian partners' or 'Latin American partners'.

Amendment 7
Article 1, sub-paragraph 1a (new)

The primary objective of this instrument shall be to eradicate poverty, while its overall objectives are stated in Article 2.

Justification

The proposed regulation does not reflect the commitments undertaken by successive Council conclusions (such as the General Affairs and External Relations Council of 30 September 2002). Nor does it explicitly specify the primary goal of this proposal, possibly this omission may cause misinterpretation arising from an instrument devoid of a specified policy content.

Amendment 8
Article 2, paragraph 1

Community cooperation under this Regulation shall be pursued with the overall objectives of strengthening the relationship between the Community and its Asian and Latin American partners, reducing poverty, promoting sustainable development and contributing to prosperity, security and stability.

Community cooperation under this Regulation shall be pursued with the overall objectives of strengthening the relationship between the Community and its Asian and Latin American partners, reducing poverty, ***improving the gender balance***, promoting sustainable development and contributing to prosperity, security and stability.

Justification

Gender mainstreaming is a declared policy means and aim of the EU and must be mentioned in a Regulation as important as ALA.

Amendment 9
Article 2, paragraph 2, point (b)

(b) strengthen the institutional and legislative framework, in particular to underpin democratic principles, the rule of law and respect and protection for human rights and fundamental freedoms

(b) strengthen the institutional and legislative framework, in particular to underpin democratic principles, the rule of law and respect and protection for human rights and fundamental freedoms, ***and to foster democratic participation of the populations and the rights of indigenous peoples;***

Justification

The participation of the concerned populations in the cooperation programmes is a key issue for success. The rights of indigenous peoples have to be mentioned apart. In some countries they are not just a minority to be protected but a majority, though often oppressed

.Amendment 10

Article 2, paragraph 2, point (c)a (new)

(c)a. tackle the structural difficulties the partner countries face in the global economy by enhancing technical assistance and capacity building, reduction or elimination of tariff peaks and non-tariff barriers in trading partners, the proper interpretations of the trade-related aspects of intellectual property rights (TRIPS Agreement) in areas such as public health or research and development into new medicines.

Justification

This is a missing area for which on numerous occasions the EP has stressed the inhibiting role played by the structural weakness of a least-developed country in its efforts to either integrate itself into the multilateral trading system or to promote sustainable development. The Doha Ministerial Declaration has insisted on the proper interpretation of the TRIPS.

Amendment 11
CHAPTER IA (new)

Article 3a (new)

CHAPTER IA

Principles of Community cooperation with the Asian partners

Article 3a

The following factors shall be included in Community cooperation with the Asian partners and reflected in the relevant programming documents:

Justification

Factors relevant to cooperation with Asia must be placed in a separate chapter. Crosscutting matters, common to all sectors of activity, must be divided from the list of actions eligible for inclusion in agreements with partner countries.

Amendment 12 CHAPTER IB (new)

Article 3c (new)

CHAPTER IB

Principles of Community cooperation with the Latin American partners

Article 3c

The following factors shall be included in Community cooperation with the Latin American partners and reflected in the relevant programming documents:

Justification

Elements relevant to cooperation with Latin America must be placed in a separate chapter.

Amendment 13 Article 4, paragraph 3, subparagraph 2

They shall contain a description of sectoral and cross-cutting priorities, specific objectives and expected results.

They shall contain a description of sectoral and cross-cutting priorities, specific objectives and expected results ***based on the development and use of suitable indicators of achievement.***

Justification

Under the reformed approach to external assistance, quantifiable indicators are desirable for a complete appraisal of a project or indicative programme. Hence the need for the 'development and use of appropriated indicators' conceived to fill in a missing requirement in the multiannual indicative programmes.

Amendment 14

Article 4, paragraph 3, sub-paragraph 3 a (new)

They shall contain a list of all bodies (government or public, non-profit organisations, and private) which have been consulted prior to drawing up the multiannual indicative programmes.

Justification

This amendment simply fills in a missing requirement. Under the reformed management of EC external aid, consultation with a wide range of bodies is an essential requirement. Hence the list proposed reflects the seriousness, transparency and commitment of the EC "to consult before deciding".

Amendment 15

Article 4, paragraph 3, subparagraph 4

They shall reflect the priorities identified and agreed with the Asian and Latin American partners concerned. They shall be updated as necessary.

They shall reflect the priorities identified and agreed with the Asian and Latin American partners concerned ***including consultation of the concerned populations.*** They shall be updated as necessary.

Justification

Almost all cooperation programmes have a social and/or environmental component. The success of such programmes depends to a large extent on its adequacy to real needs, which can only be found out in cooperation and consultation of the people concerned.

Amendment 16

Article 4, paragraph 5

5. In ***particular situations***, specific cooperation measures not covered by

5. In ***exceptional circumstances due to unforeseen events***, specific cooperation measures not covered by annual action

annual action plans may be approved.

plans may be approved.

Justification

The term 'particular situations' may allow misinterpretation. On the other hand 'exceptional circumstances' as a term has been used in Community legislation and is meant to include physical catastrophes or unexpected economic, financial or trade crises.

Amendment 17 Article 5, paragraph 2

2. Community financing may be used to cover in particular expenditure for preparing, implementing, monitoring, checking and evaluating projects and programmes and for information on *cooperation activities*.

2. Community financing may be used to cover in particular expenditure for preparing, implementing, monitoring, checking and evaluating projects and programmes and for information on ***the availability of EC projects and their funding***.

Justification

Experience of the MEDA II and CARDS regulations as implemented and monitored has shown that 'cooperation activities' have been misunderstood. On the other hand there is need to make available to the public 'what is financed by the EC budget'. Transparency also requires that the defusing of information be made consistently and be concise but complete.

Amendment 18 Article 7, 1st subparagraph

The financial reference amount for the implementation of Community cooperation under this Regulation for the period 2003 to 2006 shall be EUR **2 523** million for cooperation with Asia and EUR **1 270** million for cooperation with Latin America.

The financial reference amount for the implementation of Community cooperation under this Regulation for the period 2003 to 2006 shall be EUR **2 275,8** million for cooperation with Asia and EUR **1 517,2** million for cooperation with Latin America.

Justification

It follows from the amendment to recital 13a (new) in applying the principle of proportionality based on the 60:40% rule to the amounts in question. Amendment 19

Article 11, paragraph 1

The strategy papers, multiannual indicative programmes and annual action plans referred to in Article 4 shall be adopted in accordance with the procedure referred to in Article 12(2). Decisions on annual action plans are to be considered financing decisions for the projects and programmes specified in those annual action plans.

The strategy papers, multiannual indicative programmes and annual action plans referred to in Article 4 shall be adopted in accordance with the procedure referred to in Article 12(2). ***Consultation of the European Parliament shall be made at the earliest stage.*** Decisions on annual action plans are to be considered financing decisions for the projects and programmes specified in those annual action plans.

Justification

The scrutiny powers of the European Parliament should not be reduced, but enhanced in comparison with the earlier regulation.