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## **REPORT**

on the proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)  
(COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))

Committee on Foreign Affairs

Rapporteur: István Szent-Iványi

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(\*) Enhanced cooperation between committees – Rule 47 of the Rules of Procedure

### ***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.

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(\*) Enhanced cooperation between committees – Rule 47 of the Rules of Procedure



## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)**

**(COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))**

**(Consultation procedure)**

*The European Parliament,*

- having regard to the Commission proposal to the Council (COM(2004)0627)<sup>1</sup>,
  - having regard to Article 181a of the Treaty establishing the European Community, pursuant to which the Council consulted Parliament (C6-0047/2005),
  - having regard to Rule 51 of its Rules of Procedure,
  - having regard to the report of the Committee on Foreign Affairs and the opinions of the Committee on International Trade, the Committee on Budgets, the Committee on Regional Development and the Committee on Agriculture (A6-0155/2006),
1. Approves the Commission proposal as amended;
  2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
  3. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;
  4. Asks the Council to consult Parliament again if it intends to amend the Commission proposal substantially;
  5. Instructs its President to forward its position to the Council and Commission.

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Text proposed by the Commission

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Amendments by Parliament

Amendment 1  
Recital 2 a (new)

***(2a) The European Parliament has welcomed the addition, by the Treaty of Nice, of Article 181a to the Treaty establishing the European Community (the EC Treaty), but reiterated its position that, given the political and budgetary***

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<sup>1</sup> Not yet published in OJ.

*importance of pre-accession assistance, it would be highly desirable to adopt the measures necessary for the implementation of economic, financial and technical cooperation with States which are candidates for accession to the Union in accordance with the procedure laid down in Article 251 of the EC Treaty.*

#### *Justification*

*The other two general instruments supporting European External Aid policies, namely the Development Co-operation and Economic Co-operation Instrument and the European Neighbourhood and Partnership Instrument, are each based on the co-decision procedure. Basing the IPA also on this procedure would establish procedural consistency across the three main geographical instruments supporting the Community's External Aid.*

#### Amendment 2 Recital 11

(11) Assistance for Candidate Countries as well as for potential Candidate Countries should continue to support them in their efforts to strengthen democratic institutions and the rule of law, reform public administration, respect human as well as minority rights, support the development of civil society and advance regional cooperation as well as reconciliation and reconstruction, and contribute to sustainable development and poverty **reduction** in these countries, and should therefore be targeted to support a wide range of institution building measures,

(11) Assistance for Candidate Countries as well as for potential Candidate Countries ***under this Regulation, and for other entities such as individuals and non-governmental organisations under a separate instrument devoted to the promotion of human rights and democracy,*** should continue to support them in their efforts to strengthen democratic institutions and the rule of law, ***carry out economic reforms aimed at the promotion of a market economy and free and fair trade,*** reform public administration, ***prepare EU-compatible National Development Plans,*** respect human as well as minority rights, ***promote gender equality,*** support the development of civil society, ***including institution-building for NGOs, improve consumer rights,*** and advance regional cooperation as well as reconciliation and reconstruction, and contribute to sustainable development and poverty ***eradication*** in these countries, and should therefore be targeted to support a wide range of institution building measures.

### *Justification*

*The Commission should propose a separate Regulation on an instrument devoted exclusively to the promotion of democracy and human rights based on the current European Initiative for Democracy and Human Rights (EIDHR, budget line 19-04) in order to secure the existence, visibility, transparency and independence of a European human rights policy. The Regulation should take into account the specific requirements of such a programme, including the availability of funds without host country consent directly to individuals, legal persons or other entities.*

#### Amendment 3 Recital 13

(13) Assistance for potential Candidate Countries may include some alignment with the *acquis communautaire* as well as support for investment projects,

(13) Assistance for potential Candidate Countries may include some alignment with the *acquis communautaire*, ***facilitating the formulation of EU-compatible provisional National Development Plans aiming to build institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development***, as well as support for investment projects.

### *Justification*

*According to Paragraph 55 of the European Parliament resolution on regional integration in the western Balkans (B6-0094/2005/rev.), the 'EU should encourage and support all governments in the region to prepare EU-compatible provisional National Development Plans similar to the one Turkey has prepared in order to build institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development' regardless of their status as official or potential candidate country.*

#### Amendment 4 Recital 14

(14) Assistance should be provided on the basis of a comprehensive multi-annual strategy, ***taking into account*** the priorities of the Stabilisation and Association process, as well as ***those deriving from*** the pre-accession process,

(14) Assistance should be provided on the basis of a comprehensive multi-annual strategy ***that reflects*** the priorities of the Stabilisation and Association process, ***the domestic reform objectives of beneficiary countries***, as well as ***the strategic priorities defined by the European Parliament*** for the pre-accession process.

### *Justification*

*It is of vital importance that the European Parliament participates in the identification, setting, and sequencing of pre-accession priorities for both Candidate and potential*

*Candidate Countries. Previous rounds of enlargement demonstrated the essentially technocratic nature of accession, privileging the core executive over national legislatures. An enhanced role for the European Parliament and national assemblies in the Candidate and potential Candidate Countries would increase the democratic accountability, transparency, and domestic ownership of the pre-accession process.*

Amendment 5  
Recital 16 a (new)

***(16a) Potential candidate countries and candidate countries who have not yet been accredited to manage funds in a decentralised manner should however be eligible, under the Transition Assistance and Institution Building component, for measures and actions of a similar nature to those which will be available under the Regional Development component, the Human Resource Development component and the Rural Development component.***

Amendment 6  
Recital 17

(17) Assistance should be managed in accordance with the rules for External Aid contained in Regulation (EC) 1605/2002, making use of the structures that have proved their worth in the pre-accession process, such as decentralised management, Twinning and TAIEX, but should also allow for innovative approaches such as the implementation through Member States via shared management in case of cross-border programmes on the external borders of the European Union,

(17) Assistance should be managed in accordance with the rules for External Aid contained in Regulation (EC) No 1605/2002, making use of the structures that have proved their worth in the pre-accession process, such as decentralised management, Twinning and TAIEX, but should also allow for innovative approaches such as the implementation through Member States via shared management in case of cross-border programmes on the external borders of the European Union. ***The transfer of knowledge and expertise regarding the implementation of the *acquis communautaire*, from Member States with relevant experience to the beneficiaries of this Regulation, should be particularly beneficial in this context.***

*Justification*

*The Member States that joined the European Union in 2004 have some 15 years of accumulated experience in comprehensive political, economic, and public sector reform, which could be of direct benefit to the beneficiaries of this instrument.*



Amendment 7  
Recital 18

(18) The actions necessary for the implementation of the Transition Assistance and Institution Building Component as well as the Regional and Cross-Border Co-operation Component are management measures relating to the implementation of programmes with substantial budgetary implications, they should therefore be adopted in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred to the Commission, by submitting multi-annual indicative planning documents to a Management Committee,

(18) The actions necessary for the implementation of the Transition Assistance and Institution Building Component as well as the Regional and Cross-Border Co-operation Component are management measures relating to the implementation of programmes with substantial budgetary implications, they should therefore be adopted, ***having regard to the recommendation of the European Parliament***, in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred to the Commission, by submitting multi-annual indicative planning documents to a Management Committee.

Amendment 8  
Recital 22

(22) Where a beneficiary country violates the principles the European Union is founded on, or makes insufficient progress with respect to the Copenhagen Criteria and the priorities set down in the European or Accession Partnership, the Council must, on the basis of a proposal from the Commission, be in a position to take the necessary measures,

(22) Where a beneficiary country violates the principles the European Union is founded on, or makes insufficient progress with respect to the Copenhagen Criteria and the priorities set down in the European or Accession Partnership ***or the provisions of the Accession Treaty***, the Council must, on the basis of a proposal from the Commission ***and after consulting the European Parliament***, be in a position to take the necessary measures, ***in which case the Commission should initiate, within the framework of this Regulation, specific action aimed at resolving the problems hindering the pre-accession or accession process.***

*Justification*

*In such a fundamental decision as the suspension of assistance, the European Parliament must be consulted.*

Amendment 9  
Article 2, paragraph 1, point (a)

(a) strengthening democratic institutions and the rule of law,

(a) strengthening democratic institutions and the rule of law ***and its enforcement, and promoting accountability and transparency,***

Amendment 10  
Article 2, paragraph 1, point (c)

(c) economic reform,

(c) ***market-oriented*** economic reform ***to build a sustainable social, environmentally-friendly and competitive economy, by progressive price and trade liberalisation, gradual integration into the customs union, accession to the World Trade Organisation and the implementation of WTO rules and those resulting from the Doha Development Agenda,***

Amendment 11  
Article 2, paragraph 1, point (c a) (new)

***(ca) preparation of EU-compatible provisional National Development Plans aimed at building institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development,***

*Justification*

*According to Paragraph 55 of the European Parliament resolution on regional integration in the western Balkans (B6-0094/2005/rev.), the 'EU should encourage and support all governments in the region to prepare EU-compatible provisional National Development Plans similar to the one Turkey has prepared in order to build institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development' regardless of their status as official or potential candidate country.*

Amendment 12  
Article 2, paragraph 1, point (d a) (new)

***(da) the promotion of gender equality,***

Amendment 13  
Article 2, paragraph 2, subparagraph (b)

(b) social and economic development,

(b) social, economic ***and territorial***

development *and cohesion*.

*Justification*

*Having regard to the fact that the aim of this Regulation is to prepare the Partner Countries for eventual accession, even countries included in Annex I should have the possibility to receive assistance from the Community to shape and implement their own cohesion policies. This could be envisaged as a preparatory phase before their transferral to Annex II, where they are supposed to get ready for the implementation and management of the Community's common agricultural and cohesion policies.*

Amendment 14

Article 2, paragraph 1, point (e)

(e) the development of civil society,

(e) the development of civil society,  
***citizenship and free, independent media,  
including institutional development and  
support for non-governmental  
organisations,***

*Justification*

*Free and independent media are necessary for the development of democracy and civil society.*

Amendment 15

Article 2, paragraph 1, point (e a) (new)

***(ea) the economic and social integration of  
vulnerable groups, particularly women,***

*Justification*

*The involvement of all these players is crucial in the democratic process to be launched so that the country concerned fulfils the Copenhagen criteria.*

Amendment 16

Article 2, paragraph 2, point (f)

(f) reconciliation, confidence building  
measures and reconstruction,

(f) reconciliation, ***return of refugees,***  
confidence building measures and  
reconstruction,

*Justification*

*The problem of return of refugees is certainly worth to be mentioned as it has psychological, political and socio-economic dimensions and lies in a core of genuine reconciliation.*

Amendment 17  
Article 3, paragraph 3

(3) Acting in accordance with the procedure set down in Article 11 (1) (a) of this Regulation, the Commission shall adopt rules for the implementation of this Regulation. Where these rules concern the implementation of Article 7 to 9 of this Regulation, the Committees responsible for the Component in question shall be consulted first, following the procedure set down in Article 3 of Decision 1999/468/EC, in compliance with Article 7 (3) thereof.

3. Acting in accordance with the procedure set down in Article 11 (1) (a) of this Regulation, the Commission shall adopt rules for the implementation of this Regulation. Where these rules concern the implementation of Article 7 to 9 of this Regulation, the Committees responsible for the Component in question shall be consulted first, following the procedure set down in Article 3 of Decision 1999/468/EC, in compliance with Article 7 (3) thereof. ***The implementing instruments shall be presented to the European Parliament for its opinion before their adoption.***

*Justification*

*The European Parliament should have the possibility to influence the final decision of the Commission on implementing instruments.*

Amendment 18  
Article 4, paragraph 1

(1) The Commission shall, on the basis of a strategic approach, taking into consideration the financial perspective, as well as the European Partnerships and Accession Partnerships, establish an indicative multi-annual framework with an allocation of funds by component and country, and where appropriate per theme. This shall be reviewed annually, taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities, and capacity of management. It shall also be reviewed, where appropriate, in view of exceptional assistance measures or interim response programmes adopted under the Regulation establishing the Stability Instrument. The funds allocated to cross-border co-operation programmes with Member States shall be at least equivalent to the corresponding financing from the

1. The Commission, ***having regard to the recommendation of the European Parliament***, shall, on the basis of a strategic approach, taking into consideration the financial perspective, as well as the European Partnerships and Accession Partnerships, establish an indicative multi-annual framework with an allocation of funds by component and country, and where appropriate per theme. This shall be reviewed annually ***having regard to the recommendation of the European Parliament***, taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities, and capacity of management. It shall also be reviewed ***by a similar procedure***, where appropriate, in view of exceptional assistance measures or interim response programmes adopted under the Regulation establishing the Stability Instrument. The funds allocated to

European Regional Development Fund.

cross-border co-operation programmes with Member States shall be at least equivalent to the corresponding financing from the European Regional Development Fund.

*Justification*

*It would be highly inappropriate for the European Parliament to get directly involved in the management of assistance under this Regulation. However, the multi-annual indicative framework is a strategic document that determines budgetary planning to a large extent for years. Therefore, it is desirable that such a document be drawn up following the recommendations of the Parliament.*

Amendment 19  
Article 4, paragraph 2

(2) The indicative multi-annual framework shall be communicated annually by the Commission to the Council and the European Parliament.

2. The indicative multi-annual framework shall be communicated ***in due time*** annually by the Commission to the Council and the European Parliament. ***In its annual report, the Commission shall set out in detail the extent to which the European Parliament's recommendations have been taken into consideration. Should it deviate from the recommendations of the European Parliament, the Commission shall give its reasons for doing so.***

*Justification*

*The European Parliament should be duly informed of the decisions taken by the Commission concerning its recommendations. The Commission is not bound by these recommendations but is called upon to give detailed explanation for any deviation.*

Amendment 20  
Article 4, paragraph 2 a (new)

***2a. The procedure provided for under paragraphs (1) and (2) shall be without prejudice to the European Parliament's prerogatives as budgetary authority under the Treaty.***

*Justification*

*It is important to recall that the outcome of the multi-annual strategic planning procedure is without prejudice to the European Parliament's powers as one arm of the budgetary authority*

*under the Treaty establishing the European Community.*

Amendment 21  
Article 6, paragraph 2

(2) Such cooperation shall have the objective of fostering stability, security **and** prosperity in the mutual interest of all countries concerned, and of encouraging their harmonious, balanced and sustainable development.

2. Such cooperation shall have the objective of ***promoting good neighbourly relations***, fostering stability, security, prosperity **and social cohesion** in the mutual interest of all countries concerned, and of encouraging their harmonious, balanced and sustainable development.

*Justification*

*Besides prosperity, security and stability, social cohesion is an important factor for harmonious development of border regions.*

Amendment 22  
Article 10, paragraph 2 a (new)

***2a. In exceptional cases, where, in absence of agreement between a Member State and a beneficiary country, implementation tasks of a cross-border programme cannot be delegated to Member States, those tasks may be administered in some other appropriate way in accordance with Regulation (EC) No 1605/2002. The Commission shall ensure coordination and consistency between assistance provided by this Regulation and assistance provided by other Community instruments.***

*Justification*

*The Commission proposes a single managing authority for cross-border programmes. This system is functional only if there is mutual trust between the authorities of a Member State and a neighbouring Partner Country that manifests itself in a corresponding agreement. Without such an agreement, no CBC programme could be initiated under this Regulation. Therefore, in the absence of such an agreement, temporarily the present system of implementation and management should be made available as well.*

Amendment 23  
Article 10, paragraph 5 a (new)

***5a. Before their implementation, the Commission shall inform the European***

***Parliament about the Community's aid programmes under this Regulation. In order for this ex-ante control to be carried out, the Commission's reports shall include all information concerning the actions proposed, the beneficiaries thereof and the respective financing operations.***

*Justification*

*Expression of Parliament's frequently reiterated wish to be consulted ex-ante and in a precise manner about the pre-accession programmes.*

Amendment 24  
Article 11, paragraph 3 a (new)

***3a. The Commission shall report to the European Parliament on the proceedings of the Committees.***

Amendment 25  
Article 12, paragraph 1

*(1) Assistance under this Regulation may, inter alia, finance investments, procurement contracts, grants, including interest rate subsidies, special loans, loan guarantees and financial assistance, **budgetary support, and other specific forms of budgetary aid**, and the contribution to the capital of international financial institutions or the regional development banks. **Budgetary support is contingent on the administration of public finances of the Partner Country being sufficiently transparent, reliable and efficient, and on well-defined sectorial or macroeconomic policies approved by international financing institutions having been put in place.***

*1. Assistance under this Regulation may, inter alia, finance investments, procurement contracts, grants, including interest rate subsidies, special loans, loan guarantees and financial assistance, and the contribution to the capital of international financial institutions or the regional development banks.*

*Justification*

*The aims of this Regulation can be achieved without having recourse to direct budgetary support and other specific forms of budgetary aid. In this regard, reference is made to the Instrument for Macro-Financial Assistance specifically designed to correct temporary budgetary imbalances in Partner Countries.*

Amendment 26

Article 14, title

Implementation of Assistance

Implementation of Assistance *and its Visibility*

Amendment 27

Article 14, paragraph 2 a (new)

***2a. The Commission shall promote detailed information and publicity about the projects and programmes financed in order to raise public awareness about the Community action and its objectives.***

*Justification*

*Public opinion needs to be fully informed about Community assistance so that it can take better advantage of the projects and programmes and also widen its knowledge about community's actions and objectives.*

Amendment 28

Article 14, paragraph 2 b (new)

***2b. The Commission shall ensure consistency between assistance provided under this Regulation and assistance provided under other external assistance instruments including a separate instrument devoted to the promotion of human rights and democracy, as well as Member States' bilateral operations and funding from the EIB, other international organisations and regional development banks.***

*Justification*

*This coordination is necessary to obtain a maximum of synergy and efficiency of the Community's assistance.*

Amendment 29

Article 17, paragraph 2

(2) Where a beneficiary country fails to respect these principles or the commitments contained in the relevant Partnership with the European Union or

2. Where a beneficiary country fails to respect these principles or the commitments contained in the relevant Partnership *or Accession Treaty* with the



progress toward fulfilment of the accession criteria is insufficient, the Council, acting by qualified majority on a proposal from the Commission, may take appropriate steps with regard to any assistance granted under this Regulation.

European Union or progress toward fulfilment of the accession criteria is insufficient, the Council, acting by a qualified majority on a proposal from the Commission ***and after consulting the European Parliament***, may take appropriate steps with regard to any assistance granted under this Regulation. ***In that case, the Commission shall initiate, within the framework of this Regulation, specific action aimed at resolving the problems hindering the pre-accession or accession process.***

#### *Justification*

*In such a fundamental decision as the suspension of assistance, the European Parliament must be consulted.*

#### Amendment 30 Article 17, paragraph 2 a (new)

***2a. The European Parliament may request the Commission to submit a proposal to the Council pursuant to paragraph 2 on taking appropriate steps with regard to any assistance granted under this Regulation. The Commission shall submit its proposal to the Council within 3 months of receiving the request, or shall give its reasons for not doing so.***

#### *Justification*

*The European Parliament must have the possibility to initiate the suspension of assistance under this Regulation. The Commission shall be given appropriate time to reflect on Parliament's request.*

#### Amendment 31 Article 18

If a beneficiary country listed in Annex I of this Regulation is, pursuant to a decision of the Council acting under *Art. 49*, paragraph 1, first sentence of the Treaty on European Union, granted Candidate status, the Council, acting by qualified majority on the basis of a proposal from the

***1.*** If a beneficiary country listed in Annex I of this regulation is, pursuant to a decision of the Council acting under *Article 49*, paragraph 1, first sentence of the Treaty on European Union, granted Candidate status, the Council, acting by a qualified majority on the basis of a proposal from the

Commission will transfer that country from Annex I to Annex II.

Commission, **and after consulting the European Parliament**, will transfer that country from Annex I to Annex II.

*Justification*

*The transferral of a beneficiary country from Annex I to Annex II has - among others - many budgetary implications, therefore the European Parliament should be consulted beforehand.*

Amendment 32  
Article 18, paragraph 1 a (new)

***1a. If the European Council recognises a State as a potential candidate for membership of the European Union, the Council, acting by a qualified majority on the basis of a proposal from the Commission, and after consulting the European Parliament, shall include that country in Annex I.***

*Justification*

*There should be a flexible connection between the Instrument for Pre-Accession Assistance and the proposed European Neighbourhood and Partnership Instrument. The European Council would be free to declare other countries potential candidates for membership of the European Union. In this case, the Council, acting on a proposal from the Commission and after consulting the European Parliament, shall include that country in Annex I.*

Amendment 33  
Article 20 a (new)

***Article 20a***

***1. Not later than 30 June 2010, the Commission shall submit to the European Parliament and the Council a report on the implementation of this Regulation together with a legislative proposal introducing the necessary modifications.***

***2. The European Parliament and the Council, acting on a proposal by the Commission, shall re-examine this Regulation by 31 December 2013.***

*Justification*

*It is indispensable to regularly review the functioning of this Regulation. A mid-term review is envisaged not later than 30 June 2010; another review is envisaged at the end of the financial*

*perspective starting on 1 January 2007. The suggested dates were set in accordance with a financial perspective of a duration of 7 years, as decided by the European Parliament in its Resolution of 8 June 2005 (P6\_TA(2005)0224).*

## EXPLANATORY STATEMENT

### *Background information*

The Commission's proposal tends to reform the current legislation in the area of external actions with the aim to simplify the existing, highly complex procedures and wide variety of instruments with different geographical and thematic scopes and financial envelopes.

The Commission proposes to work under the next Financial Perspectives period and beyond with only six instruments, three of which are geographical and three thematic. Of these two currently exist (Humanitarian aid and Macro-Financial Assistance) and are left without modification. The new instruments are the instrument for Pre-accession Assistance (IPA), the European Neighbourhood and Partnership Instrument (ENPI), the Instrument for Development Co-operation and Economic Co-operation (DCEC) and the Stability Instrument.

### *IPA General objective, legal bases and scope of programmes*

IPA is designed to tackle community assistance in the Western Balkans and Turkey.

The objective of the IPA is to support the progressive alignment of beneficiary countries with the standards and policies of the EU with a view to membership.

The beneficiary countries are divided into two groups:

- candidate countries, comprising Croatia and Turkey,
- pre-candidate countries comprising Albania, Bosnia and Herzegovina, Serbia and Montenegro and the Former Republic of Macedonia.

For countries that are not yet candidates, the emphasis is put on strengthening democratic institutions and reform of public administration. For candidate countries it is proposed that the assistance should aim at full implementation of the *acquis communautaire*. However, the list of areas eligible for support in both groups of countries like that for candidate countries is non-exhaustive, allowing the possibility to add other objectives to be pursued without the need to modify the legislation.

While there is a clear intention to treat all financial instruments as a package to ensure maximum of coherence and consistency, it should be emphasised that the pre-accession aid has its own particularity and operates in a very specific framework.

The main characteristic of the IPA arises from the following:

- the assistance provided by this instrument **is led by the pre-accession process**, (European Partnerships, Accession Partnerships, Regular reports etc.), and requires a flexible approach to adapt quickly to evolving priorities. As regards **pre-candidates countries**, assistance would aim to bringing them closer to candidate status by concentrating on institution building, particularly to strengthen the Copenhagen political criteria and selectively promote some alignment with the *acquis* in areas of mutual advantages,

- it operates in a **medium term perspective** given that the accession represents, at least, a medium term goal for the beneficiaries,
- it has a **bridging function** in the sense that it prepares countries for the time after accession.

### ***Summary assessment***

The Commission's proposal can be praised for a policy driven approach, which is likely to increase the efficiency of the financial assistance. It contains some innovative methods of implementation, which will likely lead to increased co-operation, particularly in the field of cross-border co-operation between Member States on the one-hand and candidate countries and potential candidate countries on the other.

There are however a number of shortcomings which concern among others the following issues:

- the legal basis chosen for IPA (Article 181(a)TEC) provides for its adoption under the **consultation procedure** so that EP's influence is limited. The Commission's explanation is that even though, as some of the beneficiary countries are classified as developing countries, it is not appropriate to base the instrument on Art179 TEC, as its aim is not development, as such, but to prepare countries for accession. Moreover, the introduction of Art 181(a) by the Treaty of Nice aimed exactly at providing for a simpler procedure for exercising Community competence in the area of cooperation with third countries, in particular, assistance to candidate countries.
- there is **no clear link** between the political objectives set by EU institutions and appropriations made in the multi annual indicative framework,
- the **EP is not sufficiently involved** in the definition of the geographical and thematic strategies nor in the formulation of the multi annual indicative planning, and the potential suspension of beneficiary States participation in community assistance programmes.

### ***Specific points raised by the rapporteur***

1. The rapporteur is convinced that all instruments related to community external assistance should be adopted under the co-decision procedure in order to reach procedural consistency across the four major geographical and thematic instruments. In view of the strong development component of the EU relations with the Western Balkans and Turkey, and long-term horizon for potential accession, it would be more appropriate to base the IPA proposal on Articles 179 and 181 a TEC.
2. The rapporteur fundamentally agrees with the Commission's efforts to rationalise and simplify the instruments for Community external assistance, and to provide for a flexible and more effective management of funds. The rapporteur is concerned, however, that the Commission's proposal will reduce the visibility and transparency of external actions in several areas, and also the European Parliament's power of *ex ante* control, particularly as regards developing the strategy and defining the priorities of the EU. Therefore, the rapporteur suggests that the multi-annual indicative framework should be drawn up by the Commission following the recommendations of the European Parliament instead of a

vague political dialogue. The same procedure would apply for the annual and exceptional revision of the multi-annual indicative framework. In its annual report, the Commission will have to report on what extent Parliament's recommendations were taken into consideration, and will have to provide detailed reasoning in case of deviation. This procedure is without prejudice to Parliament's prerogatives as one arm of the budgetary authority.

3. The Commission proposal on IPA submitted to the European Parliament is basically a framework regulation. After its adoption the Commission shall adopt rules for its implementation. It is essential that the European Parliament is informed in due time of these implementation measures, so it will have the opportunity to comment on them before they become effective.
4. The rapporteur is not convinced that it would be appropriate for the European Parliament to participate in the comitology procedure. However, Parliament should be officially informed of the outcome of the proceedings. In addition, the Commission shall provide detailed information and publicity about the financed projects and programmes in order to raise public awareness about the Community action and its objectives.
5. The rapporteur suggests that the most important structural decisions - such as the transfer of one country from Annex I to Annex II, or the suspension of assistance - should be taken only after consulting the European Parliament. The European Parliament should also be given the power to initiate the suspension of assistance where a beneficiary country fails to respect the principles of democracy, the rule of law, human rights, minority rights and fundamental freedoms, or progress toward fulfilment of the accession criteria is insufficient. Additional provisions are needed to provide for the inclusion of other countries in Annex I, should the European Council recognise a State as a potential candidate for membership of the European Union.
6. The rapporteur welcomes the fact that in the case of cross-border programmes, the Commission proposes the establishment of single joint managing, certifying and audit authorities, normally located in the territory of a Member State. However, in some cases bilateral or multilateral agreements may have to be concluded among all the participating countries covered by the programme regulating the procedures for financial control and audit and the practical modalities for handling the recovery of funds as well as containing an agreement to use the procurement rules for external actions as specified in the EC Financial Regulation and its implementing rules. The conclusion of these agreements could turn out to be a lengthy process. Therefore, it is essential to provide recourse to existing managing structures pending the adoption of such agreements.
7. In line with Parliament's position concerning the next Financial Perspective, the rapporteur proposes a mid-term review of the instrument not later than 30 June 2009. The rapporteur also insists on the re-examination of this Regulation by the end of the next Financial Perspective.
8. The rapporteur disapproves of the dismantling and dilution of the European Initiative for Democracy and Human Rights (EIDHR, budget line 19-04), therefore calls on the Commission to propose a separate Regulation on an instrument devoted exclusively to the promotion of democracy and human rights. The Regulation should take into account the

specific requirements of such a programme, including the availability of funds directly to individuals, legal persons or other entities without host country consent.

2.9.2005

## **OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE(\*)**

for the Committee on Foreign Affairs

on the proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)  
(COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))

Draftsperson (\*): Zbigniew Zaleski

(\*) Enhanced cooperation between committees - Rule 47 of the Rules of Procedure

### **SHORT JUSTIFICATION**

This proposal for the establishment of a Pre-Accession Instrument achieves the admirable goal of streamlining and simplifying the previous Community assistance instruments used to implement aid programmes in the western Balkans and Turkey. It puts a policy-driven approach at the heart of Community external assistance, which is likely to increase the domestic ownership of objectives in the pre-accession process. It also puts an emphasis on innovative methods of implementation, which will likely lead to increased cooperation, particularly in the field of cross-border cooperation, between Member States on the one hand and Candidate Countries and potential Candidate Countries on the other.

However, the proposed instrument has several weaknesses, which the draftsperson proposes to rectify in the following manner:

- The proposed instrument for pre-accession assistance is the only one of the three major geographical external relations instruments to be based on the consultation procedure. This has ramifications not only for the adoption of this instrument, but also for the adoption of measures that implement this framework Regulation. The draftsperson is of the opinion that it would be desirable to amend the legal basis of this instrument—Article 181a—at a future revision of the Treaty establishing the European Community, making a reference to the co-decision procedure therein.
- The economic objective of the proposed instrument is rather vague. The draftsperson proposes to reinforce it by making a reference to the market-oriented economic reforms, including price and trade liberalisation and the implementation of WTO rules, that several countries in the western Balkans ought to carry out prior to joining the European Union.



As for Turkey, its gradual integration into the internal market ought to be another mid-term economic objective of this framework Regulation.

- The European Parliament's role in the shaping of the multi-annual indicative framework is rather limited. The draftsperson considers that a structured dialogue, involving an annual resolution drafted by the Parliament a few months before the Commission drafts its annual resolution on the multi-annual indicative framework, ought to allow both institutions to participate equally in the definition of strategic objectives for the pre-accession process. However, such powers cannot in any way infringe upon Parliament's powers as the budgetary authority.
- The current proposal has no expiry date, as is customary in external relations instruments of this nature, and neither does it provide for a mid-term appraisal of the success of pre-accession assistance programmes. The draftsperson proposes the inclusion of both in the proposal in order to enhance the democratic accountability, transparency, and legitimacy of the pre-accession process.

## AMENDMENTS

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

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Text proposed by the Commission<sup>1</sup>

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Amendments by Parliament

Amendment 1  
Recital 2 a (new)

***(2a) The European Parliament has welcomed the addition, by the Treaty of Nice, of Article 181a to the Treaty establishing the European Community (the EC Treaty), but reiterated its position that, given the political and budgetary importance of pre-accession assistance, it would be highly desirable to adopt the measures necessary for the implementation of economic, financial and technical cooperation with States which are candidates for accession to the Union in accordance with the procedure laid down in Article 251 of the EC Treaty ,***

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<sup>1</sup> Not yet published in OJ.

### *Justification*

*The other two general instruments supporting European External Aid policies, namely the Development Co-operation and Economic Co-operation Instrument and the European Neighbourhood and Partnership Instrument, are each based on the co-decision procedure. Basing the IPA also on this procedure would establish procedural consistency across the three main geographical instruments supporting the Community's External Aid.*

### Amendment 2 Recital 11

(11) Assistance for Candidate Countries as well as for potential Candidate Countries should continue to support them in their efforts to strengthen democratic institutions and the rule of law, reform public administration, respect human as well as minority rights, support the development of civil society and advance regional cooperation as well as reconciliation and reconstruction, and contribute to sustainable development and poverty reduction in these countries, and should therefore be targeted to support a wide range of institution building measures,

(11) Assistance for Candidate Countries as well as for potential Candidate Countries should continue to support them in their efforts to strengthen democratic institutions and the rule of law, ***carry out economic reforms aimed at the promotion of a market economy and free and fair trade, improve consumer rights***, reform public administration, respect human as well as minority rights, support the development of civil society, ***including support for non-governmental organisations***, and advance regional cooperation as well as reconciliation and reconstruction, and contribute to sustainable development and poverty reduction in these countries, and should therefore be targeted to support a wide range of institution building measures,

### *Justification*

*This amendment seeks to achieve consistency between the recitals and scope of this Regulation, as set out in Article 2.*

### Amendment 3 Recital 14

(14) Assistance should be provided on the basis of a comprehensive multi-annual strategy, ***taking into account*** the priorities of the Stabilisation and Association process, as well as ***those deriving from*** the pre-accession process,

(14) Assistance should be provided on the basis of a comprehensive multi-annual strategy ***that reflects*** the priorities of the Stabilisation and Association process, ***the domestic reform objectives of beneficiary countries***, as well as ***the strategic priorities defined by the European Parliament*** for the pre-accession process,

### *Justification*

*It is of vital importance that the European Parliament participates in the identification, setting, and sequencing of pre-accession priorities for both Candidate and potential Candidate Countries. Previous rounds of enlargement demonstrated the essentially technocratic nature of accession, privileging the core executive over national legislatures. An enhanced role for the European Parliament and national assemblies in the Candidate and potential Candidate Countries would increase the democratic accountability, transparency, and domestic ownership of the pre-accession process.*

### Amendment 4 Recital 17

(17) Assistance should be managed in accordance with the rules for External Aid contained in Regulation (EC) 1605/2002, making use of the structures that have proved their worth in the pre-accession process, such as decentralised management, Twinning and TAIEX, but should also allow for innovative approaches such as the implementation through Member States via shared management in case of cross-border programmes on the external borders of the European Union,

(17) Assistance should be managed in accordance with the rules for External Aid contained in Regulation (EC) 1605/2002, making use of the structures that have proved their worth in the pre-accession process, such as decentralised management, Twinning and TAIEX, but should also allow for innovative approaches such as the implementation through Member States via shared management in case of cross-border programmes on the external borders of the European Union. ***The transfer of knowledge and expertise regarding the implementation of the *acquis communautaire*, from Member States with relevant experience to the beneficiaries of this Regulation, should be particularly beneficial in this context,***

### *Justification*

*The Member States that joined the European Union in 2004 have some 15 years of accumulated experience in comprehensive political, economic, and public sector reform, which could be of direct benefit to the beneficiaries of this instrument.*

### Amendment 5 Recital 22

(22) Where a beneficiary country violates the principles the European Union is founded on, or makes insufficient progress with respect to the Copenhagen Criteria and the priorities set down in the European or Accession Partnership, the Council must, on the basis of a proposal from the Commission, be in a position to take the

(22) Where a beneficiary country violates the principles the European Union is founded on, or makes insufficient progress with respect to the Copenhagen Criteria and the priorities set down in the European or Accession Partnership, the Council must, on the basis of a proposal from the Commission, be in a position to take the

necessary measures,

necessary measures, ***while immediately informing the European Parliament of the reasons for its decision,***

*Justification*

*This amendment strengthens, in line with Article 300(2) of the Treaty establishing the European Community, Parliament's involvement in the potential suspension of countries' participation in Community assistance programmes.*

Amendment 6

Article 2, paragraph 1, point (c)

(c) economic ***reform***,

(c) ***market-oriented economic reforms, including price and trade liberalisation; gradual integration into the internal market; and the implementation of WTO rules and of those resulting from the Doha Development Agenda,***

*Justification*

*This amendment refines the core economic objective of this Regulation. As concerns multilateral trade, Turkey is a founding member of the World Trade Organization (WTO); Albania, Croatia, and the Former Yugoslav Republic of Macedonia joined between 2000 and 2003; and Serbia and Montenegro and Bosnia and Herzegovina are in the process of negotiation to become members of the WTO.*

Amendment 7

Article 2, paragraph 1, point (e)

(e) the development of civil society,

(e) the development of civil society, ***including support for non-governmental organisations,***

*Justification*

*See Amendment 2.*

Amendment 8

Article 4, paragraph 2

(2) The indicative multi-annual framework shall be communicated ***annually*** by the Commission to the Council and the European Parliament.

(2) The indicative multi-annual framework shall be communicated ***in an annual report*** by the Commission to the Council and the European Parliament. ***This report shall set out, inter alia, how the Commission seeks***

***to address the strategic priorities defined by the European Parliament for the pre-accession process.***

*Justification*

*The above structured dialogue between the three institutions would allow Parliament to express its views, in the shape of an annual resolution, on the priorities of the pre-accession process, which the Commission would have to consider before drawing up its annual report on the multi-annual indicative framework.*

Amendment 9

Article 4, paragraph 2 a (new)

***(2a) The procedure described in paragraphs (1) and (2) is without prejudice to the powers conferred upon the European Parliament and the Council as legislative and budgetary authorities.***

*Justification*

*It is crucial to lay down that Parliament's involvement in the setting of strategic priorities for the pre-accession process shall not in any way infringe upon its powers as budgetary authority.*

Amendment 10

Article 17, paragraph 2

(2) Where a beneficiary country fails to respect these principles or the commitments contained in the relevant Partnership with the European Union or progress toward fulfilment of the accession criteria is insufficient, the Council, acting by qualified majority on a proposal from the Commission, may take appropriate steps with regard to any assistance granted under this Regulation.

(2) Where a beneficiary country fails to respect these principles or the commitments contained in the relevant Partnership with the European Union or progress toward fulfilment of the accession criteria is insufficient, the Council, acting by qualified majority on a proposal from the Commission, may take appropriate steps with regard to any assistance granted under this Regulation, ***while immediately informing the European Parliament of the reasons for its decision.***

*Justification*

*See Amendment 5.*

Amendment 11  
Article 20 a (new)

*Article 20a*

*Mid-term review*

*No later than 30 June 2010, the Commission shall submit to the European Parliament and the Council a report on the implementation of this Regulation in the first three years of its application, together with, if appropriate, a legislative proposal introducing the necessary amendments hereto.*

*Justification*

*Carrying out such a mid-term review would allow each institution to respond to potential challenges in the pre-accession process that may arise after the instrument's entry into force on 1 January, 2007.*

Amendment 12  
Article 21, title

*Entry into force*

*Duration*

Amendment 13  
Article 21

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from 1 January, 2007.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from 1 January 2007 ***until 31 December 2013.***

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*Justification*

*Making the duration of this instrument coincide with the 2007-2013 Financial Perspective is*

*desirable from both a political and a budgetary perspective.*

## PROCEDURE

|   |   |
|---|---|
| <b>Title</b>  | Proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)   |
| <b>References</b>   | (COM(2004)0627 – C6 0047/2005 – 2004/0222(CNS))   |
| <b>Committee responsible</b>  | AFET  |
| <b>Committee asked for its opinion</b><br>Date announced in plenary | INTA<br>7.3.2005  |
| <b>Enhanced cooperation</b>   | Yes   |
| <b>Draftsman</b><br>Date appointed                                  | Zbigniew Zaleski<br>25.10.2004  |
| <b>Discussed in committee</b>                                       | 18.1.2005      12.7.2005  |
| <b>Date amendments adopted</b>                                      | 30.8.2005   |
| <b>Result of final vote</b>   | for:                          26<br>against:                    0<br>abstentions:               0   |
| <b>Members present for the final vote</b>                           | Kader Arif, Enrique Barón Crespo, Daniel Caspary, Nigel Farage, Christofer Fjellner, Glyn Ford, Béla Glattfelder, Sajjad Karim, Caroline Lucas, Erika Mann, Helmuth Markov, David Martin, Javier Moreno Sánchez, Georgios Papastamkos, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Peter Šťastný, Johan Van Hecke, Zbigniew Zaleski |
| <b>Substitutes present for the final vote</b>                       | Panagiotis Beglitis, Albert Deß, Pierre Jonckheer, Zuzana Roithová, Antolín Sánchez Presedo, Ivo Strejček   |
| <b>Substitutes under Rule 178(2) present for the final vote</b>     | Sergio Berlato  |



25.10..2005

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on Foreign Affairs

on the proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)  
(COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))

Draftsman: Ville Itälä

### **SHORT JUSTIFICATION**

There can be no doubt that the Commission's efforts to streamline and improve the efficiency and coherence of the EU external instruments must be supported. In doing so, it also seems clear that the proposed instruments go a long way to ensure a more flexible approach to adapt these instruments to an international situation that is characterised by changing circumstances and uncertainty.

In fact, as far as policy is concerned, the instruments may indeed go too far in "reform". What is being proposed is a piece of "enabling" legislation and, to put it clearly, it is the Commission that is being enabled. The regulation is a "framework" regulation that describes the procedures to decide the policies rather than the policies themselves.

This has had repercussions in the way the proposals have been received and, although the necessary elements of simplification and adaptability to changing circumstances must be maintained, it seems clear that some way needs to be found to give the Parliament more influence over the policy content while not creating an overly inflexible regulation.

It is therefore proposed to establish a procedure whereby a multi-annual policy strategy paper should be presented to the Parliament which would also contain indicative financial allocations. The policy content and the indicative allocations should be discussed with the competent committees and be the subject of an evaluation by the Parliament (for ex. through a resolution), but only after it has adopted its annual report on the Annual Policy Strategy. In case the Commission were not to take the Parliament's opinion sufficiently into account when finally establishing the multi-annual strategies (in comitology), the Parliament would always have recourse to intervene in the budgetary procedure in order to establish its priorities from the budgetary side. This procedure would be without prejudice to Parliament's budgetary powers. Such a procedure could safeguard the Parliament's need to influence the policy

through the existing legislative and budgetary cycles without creating inflexible and over-regulated legislation which could impede the Commission's effective delivery of aid and need for flexibility.

As far as the financial amounts for the regulation as a whole is concerned, the rapporteur stresses that the proposal is presented under Art.181 (a) of the Treaty (economic and financial cooperation). This is not an article covered by co-decision and merely allows for consultation of the Parliament. In the Interinstitutional Agreement of 6 May 1999, the financial provisions for such acts are covered by Art. 34:

*" .....should the Council wish to include a financial reference, this will be taken as illustrating the will of the legislative authority and will not affect the powers of the budgetary authority as defined by the Treaty. ...."*

Although the article mentions only the Council, the rapporteur is of the opinion that the Parliament could suggest to include a financial reference for this instrument given the fact that it has been specifically mentioned in the resolution on the new financial perspective 2007-2013. This reference should obviously be in line with that vote. It would be of a non-binding nature according to the terms mentioned in article 34 of the IIA.

## **AMENDMENTS**

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

### **Draft legislative resolution**

#### **Amendment 1 Paragraph 1a (new)**

- 1a. *Specifies that the appropriations indicated in the proposal for a decision are purely for guidance until agreement is reached on the financial perspective for the period 2007 and the following years;***

#### **Amendment 2 Paragraph 1b (new)**

- 1b. *Calls on the Commission to confirm, once the next financial perspective has been adopted, the amounts indicated in the proposal for a regulation or, should the case arise, to submit the adjusted amounts for approval by the European Parliament and the Council, thereby ensuring their compatibility with the ceilings;***

## Proposal for a Regulation

Text proposed by the Commission<sup>1</sup>

Amendments by Parliament

### Amendment 3

#### Recital 18

(18) The actions necessary for the implementation of the Transition Assistance and Institution Building Component as well as the Regional and Cross-Border Co-operation Component are management measures relating to the implementation of programmes with substantial budgetary implications, they should therefore be adopted in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred to the Commission, by submitting multi-annual indicative planning documents to a Management Committee.

(18) The actions necessary for the implementation of the Transition Assistance and Institution Building Component as well as the Regional and Cross-Border Co-operation Component are management measures relating to the implementation of programmes with substantial budgetary implications, they should therefore be adopted in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred to the Commission, by submitting multi-annual indicative planning documents to a Management Committee. ***When applicable, due account shall also be taken of the procedure laid down in Article 4 (2).***

### Justification

*It is imperative that the Parliament has influence also over the strategy documents since the proposed regulation is of a general nature. It is not reasonable that the "strategy" should only be decided by the Council in a co-decision instrument. This can be assured through a procedure compatible with the existing legislative, budgetary and comitology provisions while, at the same time, ensuring that there is no rigid over-regulation which would make it difficult to react to changing needs in the international field.*

### Amendment 4

#### Recital 19

(19) The actions necessary for the implementation of the Regional Development Component, the Human Resources Component, and the Rural Development Component are closely aligned to Structural funds practises, they should

(19) The actions necessary for the implementation of the Regional Development Component, the Human Resources Component, and the Rural Development Component are closely aligned to Structural funds practises, they should

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<sup>1</sup> Not yet published in OJ.

therefore be adopted, in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred to the Commission, partly by Advisory and partly by Management Committees, in order to make use as far as possible of the decision making procedures in place for Structural Funds,

therefore be adopted, in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred to the Commission, partly by Advisory and partly by Management Committees, in order to make use as far as possible of the decision making procedures in place for Structural Funds. ***When applicable, due account shall also be taken of the procedure laid down in Article 4 (2),***

#### *Justification*

*See amendment 3*

#### Amendment 5 Article 4, paragraph 1

(1) The Commission shall, on the basis of a strategic approach, ***taking into consideration the financial perspective***, as well as the European Partnerships and Accession Partnerships, establish an indicative multi-annual ***framework*** with an allocation of funds by component and country, and where appropriate per theme. This shall be reviewed annually, taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities, and capacity of management. It shall also be reviewed, where appropriate, in view exceptional assistance measures or interim response programmes adopted under the Regulation establishing the Stability Instrument. The funds allocated to cross-border co-operation programmes with Member States shall be at least equivalent to the corresponding financing from the European Regional Development Fund.

(1) The Commission shall, on the basis of a strategic approach, ***consistent with the financial perspective***, as well as the European Partnerships and Accession Partnerships, establish an indicative multi-annual ***policy-strategy paper*** with an ***indicative*** allocation of funds by component and country, and where appropriate per theme. This shall be reviewed annually ***according to the procedure set out in Article 4 (2)***, taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities, and capacity of management. It shall also be reviewed, where appropriate, in view exceptional assistance measures or interim response programmes adopted under the Regulation establishing the Stability Instrument. The funds allocated to cross-border co-operation programmes with Member States shall be at least equivalent to the corresponding financing from the European Regional Development Fund.

#### *Justification*

*See amendment 3*

Amendment 6  
Article 4, paragraph 2

***(2) The indicative multi-annual framework shall be communicated annually by the Commission to the Council and the European Parliament.***

***(2) The Commission shall, no later than 30 September of the year n-2, present for each external policy instrument a multi-annual policy strategy paper that shall also contain a specific chapter on an indicative multi-annual financial framework. This paper will normally span three years. The European Parliament will, in the year n-1, express its evaluation of each policy paper and its indicative financial framework after adopting its resolution on the Annual Policy Strategy (APS) for the year n. This procedure shall be without prejudice to the budgetary powers of the Parliament and will serve to ensure consistency in political priority-setting and in matching the above at budgetary level; Any decision concerning the transition of a potential candidate to a pre-accession candidate under the procedure set out in Art. 18 and having significant budgetary implications, shall be subject to a prior joint agreement by the Budgetary Authority.***

***Before adopting the multi-annual framework, the Commission shall submit the draft text to the European Parliament and the Council. Within three months of the submission of the draft text, each institution may either suggest amendments, if it considers that the draft text does not meet the objectives laid down by the legislative authority, or object to the adoption of that text and, possibly, ask the Commission to submit a proposal for a legislative act to be adopted in accordance with Article 251 of the Treaty***

*Justification*

*It is imperative that the Parliament has influence also over the strategy documents since the proposed regulation is of a general nature. It is not reasonable that the "strategy" should only be decided by the Council in a co-decision instrument. This can be assured through a procedure compatible with the existing legislative, budgetary and comitology provisions while, at the same time, ensuring that there is no rigid over-regulation which would make it difficult to react to changing needs in the international field.*

*In principle the EP could insist that the legislative procedure of article 251 be maintained for the adoption of the strategy papers. But in order to provide some flexibility for the Commission a procedure is proposed where the strategy papers can be decided upon in comitology, provided that neither of the institutions object. This would mean that only in case that the draft texts by the Commission meet heavy opposition by the legislative authority, the legislative procedure would have to be followed. It is assumed in the text of this amendment that the legal base for the Pre-accession instrument will be changed to article 251( co-decision)*

*Given the fact that beneficiary countries currently financed under different headings of the Financial Perspective (heading 4 and 7) will, under the new Financial Perspective, be financed under the same heading, the Budgetary Authority needs to guarantee that the change of status to "Candidate country"(normally meaning higher funding) would be compatible with the ceiling. This is also in line with the Böge report on a future Financial Perspective (Art. 29) and, also, with the current budgetary powers of the Parliament as reflected in the decisions and annexes to the adjustment and revision of the current Financial Perspective for enlargement (Böge and Colom i Naval report, A5-117/2003).*

Amendment 7  
Article 4, paragraph 5 (new)

***(5) The resources available for commitment from this instrument shall be fixed on an indicative basis, under the terms of paragraph 34 of the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure<sup>1</sup>, at EUR 16 120 million , for a period of 7 years beginning on 1 January 2007.***

***<sup>1</sup> OJ C 172, 18.6.1999, p.1. Agreement as amended by Decision 2003/429/EC of the European Parliament and of the Council (OJ L 147, 14.6.2003, p. 25).***

*Justification*

*The reference amount is consistent with EP's negotiating position (Böge report). It is calculated on the basis of the Commission financial statement for this programme (in current prices) to which the amount of EUR 1 467 million in current prices is added.*

*Furthermore, the reference amount cannot be set until such time that a decision has been reached on the Financial Perspective.*

*Once a decision is reached, the Commission shall present, if necessary, a legislative proposal to set the reference amount with respect to the appropriate ceiling of the financial perspective (see amendment to the legislative resolution). The reference amount is entered under the conditions spelled out in article 34 of the Interinstitutional Agreement (non co-*

decision).

Amendment 8  
Article 10, paragraph 1

(1) The Commission shall be responsible for the implementation of this Regulation, acting in accordance with the procedure referred to in Article 11.

(1) The Commission shall be responsible for the implementation of this Regulation, acting in accordance with the **policy strategy referred to in Article 4 and the** procedure referred to in Article 11.

*Justification*

*See amendment 3*

Amendment 9  
Article 11, point (e) (new)

***(e) Insofar as the measures referred to above relate to the policy-strategy papers and their multi-annual indicative financial frameworks, the Commission shall take due account of the evaluation expressed by the European Parliament as laid down in Article 4 (2).***

*Justification*

*See amendment 3*

Amendment 10  
Article 12, paragraph 1

(1) Assistance under this Regulation may, *inter alia*, finance investments, procurement contracts, grants, including interest rate subsidies, special loans, loan guarantees and financial assistance, budgetary support, and other specific forms of budgetary aid, and the contribution to the capital of international financial institutions or the regional development banks. **Budgetary support is** contingent on the administration of public finances of the Partner Country being sufficiently transparent, reliable and efficient, and on well-defined sectorial or macroeconomic policies approved by international financing institutions having been put in place.

(1) Assistance under this Regulation may, *inter alia*, finance investments, procurement contracts, grants, including interest rate subsidies, special loans, loan guarantees and financial assistance, budgetary support, and other specific forms of budgetary aid, and the contribution to the capital of international financial institutions or the regional development banks. **Budgetary support and other specific forms of budgetary aid are** contingent on the administration of public finances of the Partner Country being sufficiently transparent, reliable and efficient, and on well-defined sectorial or macroeconomic policies approved by international financing institutions **and the Commission** having

been put in place.

### *Justification*

*The Commission should also take an active part to make sure that the relevant conditions are fulfilled.*

*Budgetary aid in general must require satisfactory accountability on the part of the partner country.*

### Amendment 11 Article 18

If a beneficiary country listed in Annex I of this Regulation is, pursuant to a decision of the Council acting under Art. 49, paragraph 1, first sentence of the Treaty on European Union, granted Candidate status, the Council, acting by qualified majority on the basis of a proposal from the Commission will transfer that country from Annex I to Annex II.

If a beneficiary country listed in Annex I of this Regulation is, pursuant to a decision of the Council acting under Art. 49, paragraph 1, first sentence of the Treaty on European Union, granted Candidate status, the Council, acting by qualified majority on the basis of a proposal from the Commission will transfer that country from Annex I to Annex II. ***The budgetary implication thereof shall be the subject of a prior joint agreement by the Budgetary Authority.***

### *Justification*

*Given the fact that beneficiary countries currently financed under different headings of the Financial Perspective (heading 4 and 7) will, under the new Financial Perspective, be financed under the same heading, the Budgetary Authority needs to guarantee that the change of status to "Candidate country" (normally meaning higher funding) would be compatible with the ceiling. This is also in line with the Böge report on a future Financial Perspective (Art. 29) and, also, with the current budgetary powers of the Parliament as reflected in the decisions and annexes to the adjustment and revision of the current Financial Perspective for enlargement (Böge and Colom i Naval report, A5-0117/2003).*



## PROCEDURE

|   |   |           |           |            |
|---|---|-----------|-----------|------------|
| <b>Title</b>  | Proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)   |           |           |            |
| <b>References</b>   | COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS)   |           |           |            |
| <b>Committee responsible</b>                                      | AFET  |           |           |            |
| <b>Opinion by</b><br>Date announced in plenary                    | BUDG<br>7.3.2005  |           |           |            |
| <b>Enhanced cooperation – date announced in plenary</b>           | No  |           |           |            |
| <b>Drafts(wo)man</b><br>Date appointed                            | Ville Itälä<br>31.1.2005  |           |           |            |
| <b>Discussed in committee</b>                                     | 20.4.2005   | 13.7.2005 | 14.9.2005 | 11.10.2005 |
| <b>Date adopted</b>   | 11.10.2005  |           |           |            |
| <b>Result of final vote</b>                                       | + :            39<br>- :  |           |           |            |
| <b>Members present for the final vote</b>                         | Reimer Böge, Simon Busuttil, Paulo Casaca, Valdis Dombrovskis, Bárbara Dührkop Dührkop, James Elles, Hynek Fajmon, Szabolcs Fazakas, Salvador Garriga Polledo, Neena Gill, Dariusz Maciej Grabowski, Ingeborg Gräßle, Louis Grech, Nathalie Griesbeck, Catherine Guy-Quint, Ville Itälä, Anne E. Jensen, Wiesław Stefan Kuc, Zbigniew Krzysztof Kuźmiuk, Alain Lamassoure, Janusz Lewandowski, Vladimír Maňka, Mario Mauro, Jan Mulder, Gérard Onesta, Giovanni Pittella, Antonis Samaras, Anders Samuelsen, Esko Seppänen, Nina Škottová, László Surján, Helga Trüpel, Yannick Vaugrenard, Kyösti Tapio Virrankoski, Ralf Walter |           |           |            |
| <b>Substitute(s) present for the final vote</b>                   | Lidia Joanna Geringer de Oedenberg, Hans-Peter Martin, Jean-Claude Martinez, Peter Šťastný  |           |           |            |
| <b>Substitute(s) under Rule 178(2) present for the final vote</b> |   |           |           |            |
| <b>Comments (data available in one language only)</b>             |   |           |           |            |

14.7.2005

## **OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT**

for the Committee on Foreign Affairs

on the proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)  
(COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))

Draftsman: Gábor Harangozó

### **SHORT JUSTIFICATION**

The present proposal replaces the current pre-accession instruments and also the CARDS programme in the Balkans and simplifies the previous Community assistance instruments for potential candidate countries<sup>1</sup> and candidate countries<sup>2</sup>.

The proposal reduces the visibility of the different actions through a concentration of the financial instruments. As a matter of fact, no visibility is provided concerning the levels of funding for the beneficiary countries and regions, the allocation of resources between the different objectives and components.

Due to the general nature of the proposal, the European Parliament is not able to control the pre-accession process and the new regulation. The Commission shall adopt rules for the implementation of this Regulation which go beyond the implementation of the policy priorities set by the Council and the European Parliament in this respect. Indeed, the real powers for allocating resources and managing implementation are transferred to the Commission within the framework of its rather opaque comitology procedures. Moreover, the proposal intends to give additional legislative powers to the executive body of the EU institutions.

Your draftsman therefore believes that it would be desirable to present the rules of implementation to the European Parliament before any decision is taken in this respect as well as it is desirable that further clarifications are provided by the European Commission on the basic components here mentioned. In general, wider consultations with the beneficiary countries would be appreciated for designing both the new instruments and the implementing rules.

Even though the Commission proposes coherence, consistency and simplification across the

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<sup>1</sup> Albania, Bosnia and Herzegovina, Serbia and Montenegro, the former Yugoslav Republic of Macedonia

<sup>2</sup> Croatia, Turkey

three new geographic instruments, the pre-accession instrument is only subject to a consultation procedure. However, your draftsman considers that, because of the budgetary aspects and the political nature of the issues at stake with IPA, genuine transparency would require an appropriately revised legal basis and above all the use of the co-decision procedure fostering the involvement of the European Parliament. Moreover, it would be desirable that the proposal enhances the ex-ante control by the European Parliament so that it can be genuinely involved at all stages.

For instance, the European Parliament is unfortunately not involved in the multi-annual indicative planning whilst from a regional policy perspective, the multi-annual nature of financial planning and consequent planning are indispensable for the regions.

Based on the lessons learned in the implementation of the current pre-accession programmes, it is worth mentioning that in the past the effectiveness of institution-building projects for preparing the Structural and Cohesion Funds interventions was often hindered by changing ministerial responsibilities within candidate countries and by the lack of experience of the relevant authorities. For better continuity and coherence the proposal should therefore foresee the nomination of implementation authorities responsible within each country for both the pre-accession instruments and the structural funds later on. Indeed, the experience learnt through proper management of the pre-accession assistance is a necessary prerequisite for being able later on to benefit fully from the Structural and Cohesion Funds' interventions.

The notion of 'cross-border cooperation' should foster the development of an approach largely modelled on the basis of the Structural Funds' principles of socio-economic and territorial cohesion proper to the EU. However, the amount of the appropriations set aside for cross-border cooperation actions must continue to be kept under control.

The new instrument must be accompanied by guarantees which will ensure the clarity and predictability of the European Union's commitments to its partner countries. In other words, it will have to allow for each partner area to be notified of the indicative amount of multi-annual resources available throughout the entire period of the financial perspective so that long-term projects may be effectively developed.

Cross-border activities request bilateral agreements between the Member State concerned and the third country establishing the modalities for financial control, audit and in case of irregularity the pay back modalities. To avoid the risk of loss of funds when Member State and partner state cannot agree in time to set up a joint shared management system for legal or technical reasons, the Commission should foresee the possibility to implement the CBC programme under different management system. Alternative implementing modality should be foreseen for cases where shared management cannot be implemented.

Finally, in order to avoid shared management problems the complementarity between IPA and the European Neighbourhood and Partnership Instrument (ENPI) should be further clarified as the existence of two different instruments having the same cross-border cooperation component might create shortcomings in terms of coordination. A specific implementing regulation on cross-border cooperation would therefore be very useful.

## **AMENDMENTS**

The Committee on Regional Development calls on the Committee on Foreign Affairs, as the

committee responsible, to incorporate the following amendments in its report:

| Text proposed by the Commission <sup>1</sup>   | Amendments by Parliament  |
|--|---|
| <p>Amendment 1</p> <p>Recital 1</p>  |   |
| <p>(1) In order to improve the efficiency of the Community's External Aid, a new framework for programming and delivery of assistance has been envisaged. Regulation (EC) Nr. (insert) of the European Parliament and the Council of (date) aspires to put in place the Development Co-operation and Economic Co-operation Instrument. Regulation (EC) Nr. (insert) of the European Parliament and the Council of (date) introduces a European Neighbourhood and Partnership Instrument. The present instrument constitutes the third general instrument directly supporting European External Aid policies;</p>                                 | <p>(1) In order to improve the efficiency of the Community's External Aid, a new framework for programming and delivery of assistance has been envisaged. Regulation (EC) Nr. (insert) of the European Parliament and the Council of (date) aspires to put in place the Development Co-operation and Economic Co-operation Instrument. Regulation (EC) Nr. (insert) of the European Parliament and the Council of (date) introduces a European Neighbourhood and Partnership Instrument. The present instrument constitutes the third general instrument directly supporting European External Aid policies. <b><i>Given their strong development orientation, each instrument will be based on Articles 181a and 179 of the EC Treaty,</i></b></p> |
| <p><i>Justification</i></p> <p><i>It is not sufficient, as proposed by the Commission, to have the IPA proposal based only on Art 181(a) TEC which provides for its adoption under the consultation procedure. As a matter of fact, due to the "development country" classification of some of the beneficiary countries the IPA instrument ought to be based also on the treaty article for development, Art 179, even though its aim is not development, as such, but to prepare countries for accession. The development aspects are essential to the pre-accession assistance and require therefore reference to be made to Art 179.</i></p> |   |
| <p>Amendment 2</p> <p>Recital 11</p>   |   |
| <p>(11) Assistance for Candidate Countries as well as for potential Candidate Countries should <b><i>continue to</i></b> support them in their efforts to strengthen democratic institutions and the rule of law, reform public administration, respect human as well as minority rights, support the development of</p>   | <p>(11) Assistance for Candidate Countries as well as for potential Candidate Countries should support them in their efforts to strengthen democratic institutions and the rule of law, reform public administration, <b><i>prepare EU-compatible provisional National Development Plans,</i></b> respect</p>   |

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<sup>1</sup> Not yet published in OJ.

civil society and advance regional cooperation as well as reconciliation and reconstruction, and contribute to sustainable development and poverty reduction in these countries, and should therefore be targeted to support a wide range of institution building measures,

human as well as minority rights, support the development of civil society and advance regional cooperation, as well as reconciliation and reconstruction, and contribute to sustainable development and poverty reduction in these countries, and should therefore be targeted to support a wide range of institution building measures,

### *Justification*

*According to Paragraph 55 of the European Parliament resolution on regional integration in the western Balkans (B6-0094/2005/rev.), the 'EU should encourage and support all governments in the region to prepare EU-compatible provisional National Development Plans similar to the one Turkey has prepared in order to build institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development' despite their status as official or potential candidate countries.*

### Amendment 3 Recital 12

(12) Assistance for Candidate Countries should additionally focus on the adoption and implementation of the full *acquis communautaire*, and in particular prepare Candidate Countries for the implementation of the Community's agricultural and cohesion policy,

(12) Assistance for Candidate Countries should additionally focus on the adoption and implementation of the full *acquis communautaire*, and in particular prepare Candidate Countries for the implementation of the Community's agricultural and cohesion policy ***through the development of appropriate strategic documents specifying the necessary budget for ensuring co-financing, matching national development strategies and Community priorities and thus concentrating IPA assistance on a few strategic priorities,***

### Amendment 4 Recital 13

(13) Assistance for potential Candidate Countries may include some alignment with the *acquis communautaire* as well as support for investment projects,

(13) Assistance for potential Candidate Countries may include some alignment with the *acquis communautaire*, ***facilitating the formulation of EU-compatible provisional National Development Plans aimed at building institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development,*** as well as support

for investment projects,

*Justification*

*See justification to Amendment 24.*

Amendment 5  
Recital 14

(14) Assistance should be provided on the basis of a comprehensive multi-annual strategy, ***taking into account*** the priorities of the Stabilisation and Association process, as well as ***those deriving from*** the pre-accession process,

(14) Assistance should be provided on the basis of a comprehensive multi-annual strategy ***that reflects*** the priorities of the Stabilisation and Association process, ***the domestic reform objectives of beneficiary countries*** as well as ***the priorities identified by the European Parliament*** for the pre-accession process,

*Justification*

*It is important that multi-annual strategy takes into account both the Community and the beneficiary country priorities.*

Amendment 6  
Recital 15

(15) The Transition Assistance and Institution Building ***and*** Regional and Cross-Border Co-operation Components should be accessible to all beneficiary countries, in order to assist them in the process of transition and approximation to the EU, as well as to encourage regional co-operation between them

(15) The Transition Assistance and Institution Building, ***the Human Resources Component***, Regional and Cross-Border Co-operation Components should be accessible to all beneficiary countries, in order to assist them in the process of transition and approximation to the EU, as well as to encourage regional co-operation between them ***and between existing and future Member States***,

*Justification*

*To allow common planning within the framework of cross-border co-operation, Member States should be included in the picture as well as they are likely co-operate with the beneficiary countries.*

Amendment 7  
Recital 16

(16) The Regional Development Component, ***the Human Resources***

(16) The Regional Development Component and the Rural Development Component

**Component**, and the Rural Development Component should be accessible only to recognised Candidate Countries, in order to help them prepare for the time after accession, in particular for the implementation of the Community's cohesion and rural development policies,

should be accessible only to recognised Candidate Countries, in order to help them prepare for the time after accession, in particular for the implementation of the Community's cohesion and rural development policies,

Amendment 8  
Recital 16a (new)

***(16a) The Regional Development, Human Resources and Rural Development Components should, during the programming phase, foster greater involvement by regional and local authorities and strengthen the principle of partnership in accordance with the Union's decentralised management of structural policies to pave the way for the Structural Funds framework,***

Amendment 9  
Recital 18

(18) The actions necessary for the implementation of the Transition Assistance and Institution Building Component as well as the Regional and Cross-Border Co-operation Component are management measures relating to the implementation of programmes with substantial budgetary implications, **they** should therefore be adopted in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred **to** the Commission, by submitting multi-annual indicative planning documents to a Management Committee,

(18) The actions necessary for the implementation of the Transition Assistance and Institution Building Component as well as the Regional and Cross-Border Co-operation Component are management measures relating to the implementation of programmes with substantial budgetary implications. **They** should therefore be adopted in accordance with Council Decision 1999/468 of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred **on** the Commission, by submitting multi-annual indicative planning documents to a Management Committee, **and an inter-institutional procedure should be devised so that Parliament is properly involved in formulating the multi-annual indicative planning documents and can exercise political control,**

### *Justification*

*Due to the political and budgetary aspects of the issues at stake with pre-accession assistance it is of paramount importance to set out an appropriate inter-institutional procedure that will ensure sufficient involvement of the EP.*

#### Amendment 10

##### Recital 22

(22) Where a beneficiary country violates the principles the European Union is founded on, or makes insufficient progress with respect to the Copenhagen Criteria and the priorities set down in the European or Accession Partnership, the Council must, on the basis of a proposal from the Commission, be in a position to take the necessary measures,

(22) Where a beneficiary country violates the principles the European Union is founded on, or makes insufficient progress with respect to the Copenhagen Criteria and the priorities set down in the European or Accession Partnership, the Council must, on the basis of a proposal from the Commission ***and after consulting the European Parliament***, be in a position to take the necessary measures. ***If any Candidate Country cannot fully comply with the Copenhagen Criteria or with the provisions of the accession treaty, or if for the above reasons its accession treaty does not enter into force, the Commission should initiate a special programme for it within the framework of the IPA specifically to deal with the problems delaying its accession,***

### *Justification*

*If any candidate country is insufficiently prepared for accession, its preparations should be assisted by specifically eliminating the particular problems which are delaying accession.*

#### Amendment 11

##### Recital 23

(23) Provisions should be made to enable the Council to amend this Regulation by way of a simplified procedure with respect to the position of a beneficiary country in Annex I or II,

(23) Provisions should be made to enable the Council to amend this Regulation ***after consulting the European Parliament*** by way of a simplified procedure with respect to the position of a beneficiary country in Annex I or II,

#### Amendment 12

##### Article 1

The Community shall assist the countries listed in the Annexes in progressive

The Community shall assist the countries listed in the Annexes in progressive



alignment with the standards and policies of the European Union, including where appropriate the *acquis communautaire*, with a view to membership.

alignment with the standards and policies of the European Union, including where appropriate the *acquis communautaire*, with a view to membership ***by achieving, especially in regional and agricultural policies, the implementation of strategy planning, evaluation and budgeting control structures at an early stage.***

*Justification*

*It is desirable to specify how to achieve the goals of Community assistance for the regional and agriculture policies.*

Amendment 13

Article 2, paragraph 1, point (b)

(b) public administration reform, including the establishment of a system enabling de-centralisation of assistance management to the beneficiary country in accordance with the rules set down in Regulation (EC) 1605/2002,

(b) public administration reform, ***in particular the promotion of good governance and transparency of government***, including the establishment of a system enabling de-centralisation of assistance management to the beneficiary country in accordance with the rules set down in Regulation (EC) 1605/2002,

Amendment 14

Article 2, paragraph 1, point (c)

(c) economic reform,

(c) economic reform ***for the development of an innovative, knowledge-based and competitive economy,***

*Justification*

*It is desirable to set the goals of 'economic reform' in compliance with the revised Lisbon and Göteborg objectives.*

Amendment 15

Article 2, paragraph 1, point (ca) (new)

***(ca) the preparation of EU-compatible provisional National Development Plans aimed at building institutional absorption capacity for future EU assistance, especially in the areas of rural, infrastructure and human resources development,***

*Justification*

*See justification to Am. 24.*

Amendment 16  
Article 2, paragraph 1, point (f)

(f) reconciliation, confidence building measures and reconstruction,

(f) reconciliation, confidence building measures, ***such as measures to combat corruption***, and reconstruction,

Amendment 17  
Article 2, paragraph 2, point (b)

(b) social ***and*** economic development.

(b) social, economic ***and territorial*** development.

*Justification*

*It is important to include the notion of territorial cohesion for IPA as well.*

Amendment 18  
Article 3, paragraph 2

2. The Commission shall ensure coordination and coherence between assistance granted under the different components.

2. The Commission shall ensure coordination and coherence between assistance granted under the different components ***in order to ensure good management and implementation of the multi-annual programmes for potential Candidate Countries with a view to future membership.***

Amendment 19  
Article 3, paragraph 3

3. Acting in accordance with the procedure set down in Article 11 (1) (a) of this Regulation, the Commission shall adopt rules for the implementation of this Regulation. Where these rules concern the implementation of Article 7 to 9 of this Regulation, the Committees responsible for the Component in question shall be consulted first, following the procedure set down in Article 3 of Decision 1999/468/EC, in compliance with Article 7 (3) thereof.

3. Acting in accordance with the procedure set down in Article 11 (1) (a) of this Regulation, the Commission shall adopt rules for the implementation of this Regulation. Where these rules concern the implementation of Article 7 to 9 of this Regulation, the Committees responsible for the Component in question shall be consulted first, following the procedure set down in Article 3 of Decision 1999/468/EC, in compliance with Article 7 (3) thereof. ***The implementation arrangements should be***

*presented to the European Parliament before any decision is taken and should take into account any need for beneficiaries to adapt their existing implementing structures or to create appropriate new mechanisms for implementation in due course.*

#### *Justification*

*The aim is to ensure proper involvement of the EP in the decision of the implementation set-up as well as to ensure that the beneficiaries will be able to appropriate adoption of the new implementation framework.*

#### Amendment 20 Article 4, paragraph 1

1. The **Commission** shall, on the basis of a strategic approach, taking into consideration the financial perspective, as well as the European Partnerships and Accession Partnerships, establish an indicative multi-annual framework with an allocation of funds by component **and** country, and **where appropriate per** theme. This shall be reviewed **annually**, taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities, and capacity of management. It shall also be reviewed, where appropriate, in view exceptional assistance measures or interim response programmes adopted under the Regulation establishing the Stability Instrument. The funds allocated to cross-border co-operation programmes with Member States shall be at least equivalent to the corresponding financing from the European Regional Development Fund.

1. The **European Parliament and the Council** shall, **in accordance with the procedure laid down in Article 251 of the EC Treaty and** on the basis of a strategic approach, taking into consideration the financial perspective, as well as the European Partnerships and Accession Partnerships, establish an indicative multi-annual framework with an allocation of funds by component, country and theme. This shall be **evaluated annually, and possibly reviewed if necessary**, taking into account a set of objective criteria including absorption capacity, needs assessment, respect of conditionalities, and capacity of management. It shall also be reviewed, where appropriate, in view exceptional assistance measures or interim response programmes adopted under the Regulation establishing the Stability Instrument. The funds allocated to cross-border co-operation programmes with **regions in the neighbouring** Member States shall be at least equivalent to the corresponding financing from the European Regional Development Fund. **Such review should nevertheless not jeopardize the necessary stability and visibility of the related programmes under the different components. The ratio between the funding for the Rural Development and Regional**

***Development Components must be comparable to the ratio between SAPARD on the one hand and PHARE ESC and ISPA on the other hand.***

*Justification*

*Making reference to Art 251 of the Treaty will foster the involvement of the European Parliament in the establishment of the indicative multi-annual framework. It is essential that the procedure of Art 251 is applied to the adoption of the multi-annual framework in order to allow the EP to have an input in the allocation of funds by component, country and per theme. It is necessary to ensure a balance between flexibility of allocation of funds and the stability and visibility of the programme. In proportion to the funding for the other components, the volume of funding earmarked for rural and regional development must be at least equal to the corresponding previous funding under SAPARD, PHARE ESC and ISPA.*

Amendment 21  
Article 4, paragraph 2

2. The indicative multi-annual framework shall be communicated annually by the Commission to the Council and the European Parliament.

2. The indicative multi-annual framework shall be communicated annually by the Commission to the Council and the European Parliament. ***The European Parliament shall be informed in good time before any decision is taken concerning the multi-annual indicative planning.***

*Justification*

*For ensuring proper involvement and political control of the EP in the multi-annual indicative planning, proper information has to be provided in due time. This amendment 15 is in line with amendment 14.*

Amendment 22  
Article 4, paragraph 4a (new)

***(4a) If any Candidate Country cannot fully comply with the Copenhagen Criteria or with the provisions of the accession treaty, if its progress in transposing and implementing the acquis communautaire is inadequate or if for the above reasons its accession treaty does not enter into force, the Commission shall initiate a special programme for it within the framework of the IPA specifically to deal with the problems delaying its accession.***

### *Justification*

*See justification to Am. 29.*

#### Amendment 23 Article 6, paragraph 2

2. Such co-operation shall have the objective of fostering stability, security and prosperity in the mutual interest of all countries concerned, and of encouraging their harmonious, balanced and sustainable development.

2. Such co-operation shall have the objective of fostering stability, security, prosperity ***and social cohesion*** in the mutual interest of all countries ***and regions*** concerned, and of encouraging their harmonious, balanced and sustainable development.

### *Justification*

*Besides prosperity, security and stability, social cohesion is an important factor for harmonious development of border regions.*

#### Amendment 24 Article 6, paragraph 2

2. Such cooperation shall have the objective of fostering stability, security and prosperity in the mutual interest of all countries concerned, and of encouraging their harmonious, balanced and sustainable development.

2. Such cooperation shall have the objective of fostering stability, security and prosperity in the mutual interest of all countries concerned, and of encouraging their harmonious, balanced and sustainable development ***and regional cooperation between them.***

#### Amendment 25 Article 6, paragraph 3

3. Cooperation will be coordinated with other Community instruments for cross-border, transnational and interregional cooperation ***where appropriate.*** In case of cross-border cooperation with Member States, this component shall cover the regions on both sides of the respective border or borders.

3. Cooperation will be ***properly*** coordinated with other Community instruments for cross-border, transnational and interregional cooperation ***to attain the objectives set for the instruments and ensure their effective implementation.*** In ***the*** case of cross-border cooperation with Member States, this component shall cover the regions on both sides of the respective border or borders.

#### Amendment 26 Article 8, paragraph 1

1. The Human Resources Development Component shall support ***Candidate***

1. The Human Resources Development Component shall support ***all beneficiary***

***Countries listed in Annex II*** in policy development as well as preparation for the implementation and management of the Community's cohesion policy, in particular in their preparation for the European Social Fund.

***countries*** in policy development as well as preparation for the implementation and management of the Community's cohesion policy, in particular in their preparation for the European Social Fund.

Amendment 27  
Article 10, paragraph 3 a (new)

***3a. Where, for legal or technical reasons, a Member State and a partner State cannot agree on the establishment of a shared management system. the Commission shall provide for the possibility of implementing the CBC programme under a different management system: shared management on the Member State's side and decentralized management on the Candidate or potential Candidate Country's side.***

*Justification*

*The aim here is to avoid the risk of loss of funds when Member State and partner state cannot agree to set up a joint shared management system for legal or technical reasons.*

Amendment 28  
Article 11, paragraph 3a (new)

***3a. An observer from the European Parliament shall take part in the Committees' proceeding with regard to the inter-institutional rules, the principle of transparency and the White Paper on European Governance.***

*Justification*

*For ensuring proper information and more effective involvement of the European Parliament at all stages, it would be desirable to have an EP observer attending the Committees' proceedings.*

Amendment 29  
Article 11, paragraph 3b (new)

***3b. The Commission shall report as soon as possible to the European Parliament on the***

*results of the Committees' meetings.*

*Justification*

*For the sake of visibility and for efficient inter-institutional partnership, the Commission should provide to the European Parliament in due time all decisions emerging from its comitology proceedings.*

Amendment 30

Article 13

Assistance may also be used to cover the costs of actions linked to preparation, follow-up, control, audit and evaluation directly necessary for the administration of the programme and the attainment of its objectives, in particular studies, meetings, information and publicity, expenses linked to informatics networks aiming at information exchange, as well as any other expenses for administrative and technical assistance of which the Commission can avail itself for the administration of the programme. It also covers the cost of the administrative support for the purposes of devolved programme management in the Commission delegations in non member countries.

Assistance may also be used to cover the costs of actions linked to preparation, follow-up, control, audit and evaluation directly necessary for the administration of the programme and the attainment of its objectives, in particular studies, meetings, information and publicity, expenses linked to informatics networks aiming at information exchange, as well as any other expenses for administrative and technical assistance, ***such as training measures for partners, including local and regional partners***, of which the Commission can avail itself for the administration of the programme. It also covers the cost of the administrative support for the purposes of devolved programme management in the Commission delegations in non member countries.

*Justification*

*On the one hand, providing training measures along with assistance should foster the absorption capacity and the effectiveness of implementation and management. On the other hand, better inclusion at all stages of the process of the local and regional partners should help strengthening the partnership principle to be in line with the Union's Structural policies' decentralised management.*

Amendment 31

Article 14, paragraph 2a (new)

***2a. Subsidiary agreements concerning the implementation of assistance shall set up implementation authorities responsible for the pre-accession instrument and, subsequently for managing Structural and Cohesion Fund interventions in each***

***beneficiary country.***

*Justification*

*See amendment 26.*

Amendment 32  
Article 14, paragraph 2b (new)

***2b. The implementation arrangements shall take into account the tight time-frame for beneficiaries to adapt their existing implementing structures or to create new ones.***

*Justification*

*It would be appreciable for the beneficiary countries to provide as soon as possible the new implementation set-up while taking into account their current implementing structures for efficient adaptation to the new pre-accession framework.*

Amendment 33  
Article 14, paragraph 2c (new)

***2c. In the agreements concerning the implementation of assistance, alternative implementing modalities should be provided for in order to deal with shared management problems.***

*Justification*

*Based on the experience of the current pre-accession assistance, it would be desirable to foresee alternative implementing modalities for the cases where problems are emerging amongst the partners.*



## PROCEDURE

|   |  |
|---|--|
| <b>Title</b>  | On the proposal for a Council regulation on establishing an Instrument for Pre-Accession Assistance (IPA)  |
| <b>References</b>   | (COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))  |
| <b>Committee responsible</b>                                      | AFET   |
| <b>Opinion by</b><br>Date announced in plenary                    | REGI<br>7.3.2005   |
| <b>Enhanced cooperation – date announced in plenary</b>           | -  |
| <b>Drafts(wo)man</b><br>Date appointed                            | Gábor Harangozó<br>19.1.2005   |
| <b>Discussed in committee</b>                                     | 16.6.2005  |
| <b>Date adopted</b>   | 12.7.2005  |
| <b>Result of final vote</b>                                       | + : 40<br>- : 3<br>0 : 1   |
| <b>Members present for the final vote</b>                         | Alfonso Andria, Stavros Arnautakis, Jean Marie Beaupuy, Rolf Berend, Graham Booth, Giovanni Claudio Fava, Gerardo Galeote Quecedo, Iratxe García Pérez, Eugenijus Gentvilas, Lidia Joanna Geringer de Oedenberg, Ambroise Guellec, Zita Gurmai, Gábor Harangozó, Marian Harkin, Konstantinos Hatzidakis, Alain Hutchinson, Mieczysław Edmund Janowski, Tunne Kelam, Miloš Koterec, Constanze Angela Krehl, Jamila Madeira, Sérgio Marques, Miroslav Mikolášik, Francesco Musotto, Lambert van Nistelrooij, Jan Olbrycht, István Pálfi, Markus Pieper, Mirosław Mariusz Piotrowski, Francisca Pleguezuelos Aguilar, Alyn Smith, Grażyna Staniszevska, Margie Sudre, Kyriacos Triantaphyllides, Oldřich Vlasák, Vladimír Železný |
| <b>Substitute(s) present for the final vote</b>                   | Inés Ayala Sender, Peter Baco, Brigitte Douay, Den Dover, Mojca Drčar Murko, Emanuel Jardim Fernandes, Thomas Ulmer, Manfred Weber   |
| <b>Substitute(s) under Rule 178(2) present for the final vote</b> |  |
| <b>Comments (data available in one language only)</b>             | ...  |

20.4.2005

## **OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT**

for the Committee on Foreign Affairs

on the proposal for a Council regulation establishing an Instrument for Pre-accession Assistance (IPA)  
(COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS))

Draftsman: Milan Horáček

### **SHORT JUSTIFICATION**

The experience gained with the pre-accession instrument for agriculture and rural development (SAPARD) showed that difficulties in connection with the establishment of administrative and monitoring procedures, co-financing and the disbursement of appropriations can give rise to serious problems, with the result that the original objectives - preparing agriculture and the rural economy in general for accession - were achieved only to an unsatisfactory degree and, above all, very late.

The resulting economic setbacks and disappointments suffered by many people in rural areas have left the individuals concerned with a very critical attitude towards Europe, a development which could have been avoided. The factors determining that attitude included the excessively bureaucratic nature of the programme and inadequate efforts to prepare civil society for and involve it in the implementation of the measures.

The purpose of the Council proposal establishing an instrument for pre-accession assistance (IPA) is now to deal with these problems as far as possible. Rightly, there is concern that the merging of the existing programmes, PHARE, ISPA and SAPARD, to form a single instrument, IPA, will make it impossible to meet the specific requirements of the new candidate countries, given the danger that the flexible arrangements for allocating funding to the proposed 'components' of the IPA might work to the detriment of the rural economy, thereby placing the rural population at an even greater disadvantage. The allocation of funding under the multiannual framework plan should therefore be laid down by Parliament and the Council acting under the codecision procedure.

Your draftsman is thus advocating a clear division between the instruments and the funding earmarked for individual pre-accession measures. Although the IPA, as a new, overarching pre-accession instrument, could make for more effective and simpler administration,

responsibility for planning and implementation must nevertheless still be entrusted to the competent bodies, i.e. DG Agriculture and the ministries for rural development and agriculture. Taking the issue of the preparation of agriculture and the rural economy as a whole, it is important not only that the candidate countries should be made ready to cope with the *acquis communautaire*, but also that each country's requirements in terms of the safeguarding of jobs, the environment and sustainable food production should be met. With a view to avoiding any repeat of past errors, effective payment agencies must be set up at an early stage and additional private and public investors must be won over and given an active part to play in the programmes. In this connection, banks, foundations and producer organisations have an important role to fulfil.

Parliament ensured that a bottom-up approach to rural development was incorporated into the continuing SAPARD programme, thereby clearing the way for an integrated, regional approach which actively encourages the involvement of civil society. This method should play a key role in the new components dealing with the development of the rural economies of the candidate countries and neighbouring states. Placing the emphasis on partnerships and networks will ensure that small farmers and small undertakings active in rural areas can be reached and alternative jobs which are not, or not yet, available in urban areas can be secured.

Your draftsman calls on the Commission to specify that assistance for the rural economy in the candidate countries will be geared towards the safeguarding of jobs, the diversification of production and incomes and the revitalisation of local and regional markets for foodstuffs and commodities, thereby serving, above all, to prepare those states for the *second pillar of the common agricultural policy*. Turkey, Croatia and the Balkan States, where the overwhelming majority of people live in rural areas, will not be able to cope with any further flight from the land until such time as alternative sources of employment have been created in urban areas.

Above all, measures to encourage local action groups, in keeping with the LEADER method employed in the Community, should form part of the new national pre-accession programmes. The candidate countries and partner states receiving assistance should also be offered training and exchange programmes with the EU Member States, in particular the new Member States. In recent years, on the basis of funding in the form of comparatively small public subsidies, the LEADER programmes have mobilised people to play an active role in the development of the rural economy.

## AMENDMENTS

The Committee on Agriculture and Rural Development calls on the Committee on Foreign Affairs, the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission<sup>1</sup>

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Amendments by Parliament

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### Amendment 1 Recital 16 a (new)

***(16a) Existing economic structures in rural areas must be taken into account and made competitive on regional and other markets. In order to prepare existing agricultural holdings, craft industries and small- and medium-sized undertakings for fair competition vis-à-vis industrial investors, suitable transitional periods will be granted for adjustment to EU standards. However, semi-subsistence holdings should be protected, given the important role they play in contributing to local food supplies and in providing many rural inhabitants with a livelihood.***

### Amendment 2 Article 9, paragraph 1

(1) The Rural Development Component shall support Candidate Countries listed in Annex II in policy development as well as preparation for the implementation and management of the Community's common agricultural policy. It shall in particular contribute to the sustainable adaptation of the agricultural sector and rural areas and to the Candidate Countries' preparation for the implementation of the *acquis communautaire* concerning the Common Agricultural Policy and related policies.

(1) The Rural Development Component shall support Candidate Countries listed in Annex II in policy development as well as preparation for the implementation and management of the Community's common agricultural policy. It shall in particular contribute to the sustainable adaptation of the agricultural sector and rural areas and to the Candidate Countries' preparation for the implementation of the *acquis communautaire* concerning the Common Agricultural Policy and related policies. ***In that connection, due account shall be taken***

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<sup>1</sup> Not yet published in OJ.

*of existing rural economic structures and particular support shall be given to the continuation and modernisation of farming and regional food processing.*

*Justification*

*Any sustainable adjustment of the agricultural sector must take account of the nature of existing structures and the continuation of farming and regional food processing must be supported.*

*Access to the Regional Development Component should also be granted to other associated States.*

Amendment 3  
Article 9, paragraph 2

(2) It may in particular contribute towards the financing of the type of actions provided for under the Regulation (EC) 1257/1999.

(2) It may in particular contribute towards the financing of the type of actions provided for under the Regulation (EC) 1257/1999. ***A key feature of the Regional Development Component shall be a participatory, bottom-up approach. In keeping with the LEADER method, measures shall be based on an integrated, regional approach which employs global subsidies and guarantees the socially equitable allocation of funding. In that connection, the fostering of local partnerships between the public, private and voluntary sectors shall play an important role.***

*Justification*

*The experience gained with SAPARD shows that the use of the LEADER approach in the Regional Development Component is fundamental to increasing acceptance levels for the programmes and thereby also improving the take-up of funding.*

Amendment 4  
Article 9, paragraph 2 a (new)

***(2a) Responsibility for implementing the Regional Development Component shall rest with the ministries of agriculture and rural development in the Candidate Countries and with the Commission's Directorate-General for Agriculture.***

*Justification*

*It is essential that the competent authorities should be given the task of shaping the Regional Development Component.*

## PROCEDURE

|   |   |
|---|---|
| <b>Title</b>  | Proposal for a Council regulation establishing an Instrument for Pre-accession Assistance (IPA)   |
| <b>References</b>   | COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS)   |
| <b>Committee responsible</b>  | AFET  |
| <b>Committee asked for its opinion</b><br>Date announced in plenary | AGRI<br>7.3.2005  |
| <b>Enhanced cooperation</b>   | No  |
| <b>Drafts(wo)man</b><br>Date appointed                              | Milan Horáček<br>23.11.2004   |
| <b>Discussed in committee</b>                                       | 14.3.2005      19.4.2005      -   |
| <b>Date amendments adopted</b>                                      | 19.4.2005   |
| <b>Result of final vote</b>   | for:                          26<br>against:                    -<br>abstentions:               1   |
| <b>Members present for the final vote</b>                           | Filip Adwent, Peter Baco, Thijs Berman, Joseph Daul, Albert Deß,<br>Gintaras Didžiokas, Michl Ebner, María Esther Herranz García,<br>Ioannis Gklavakis, Lutz Goepel, Bogdan Golik, Friedrich-Wilhelm<br>Graefe zu Baringdorf, Elisabeth Jeggle, Maria Isabel Salinas García,<br>Agnes Schierhuber, Czesław Adam Siekierski, Marc Tarabella,<br>Kyösti Tapio Virrankoski, Janusz Wojciechowski |
| <b>Substitutes present for the final vote</b>                       | Liam Aylward, Béla Glattfelder, Ayuso González, Gábor Harangozó,<br>Milan Horáček, Wiesław Stefan Kuc, Anne Laperrouze, Jan Mulder,<br>Zdzisław Zbigniew Podkański, Karin Resetarits  |
| <b>Substitutes under Rule 178(2) present for the final vote</b>     | -   |

## PROCEDURE

|   |   |                  |                  |                  |                  |
|---|---|------------------|------------------|------------------|------------------|
| <b>Title</b>  | The proposal for a Council regulation establishing an Instrument for Pre-Accession Assistance (IPA)   |                  |                  |                  |                  |
| <b>References</b>   | COM(2004)0627 – C6-0047/2005 – 2004/0222(CNS)   |                  |                  |                  |                  |
| <b>Date of consulting Parliament</b>                                    | 28.2.2005   |                  |                  |                  |                  |
| <b>Committee responsible</b><br>Date authorisation announced in plenary | AFET<br>7.3.2005  |                  |                  |                  |                  |
| <b>Committee(s) asked for opinion(s)</b><br>Date announced in plenary   | EMPL<br>7.3.2005  | INTA<br>7.3.2005 | BUDG<br>7.3.2005 | REGI<br>7.3.2005 | AGRI<br>7.3.2005 |
| <b>Not delivering opinion(s)</b><br>Date of decision                    | EMPL<br>31.3.2005   |                  |                  |                  |                  |
| <b>Enhanced cooperation</b><br>Date announced in plenary                | Yes<br>10.3.2005  |                  |                  |                  |                  |
| <b>Motion(s) for resolution(s) included in report</b>                   | –   |                  |                  |                  |                  |
| <b>Rapporteur(s)</b><br>Date appointed                                  | István Szent-Iványi<br>30.11.2004   |                  |                  |                  |                  |
| <b>Discussed in committee</b>   | 12.7.2005   | 12.9.2005        | 21.11.2005       | 25.1.2006        | 19.4.2006        |
| <b>Date adopted</b>   | 25.4.2006   |                  |                  |                  |                  |
| <b>Result of final vote</b>   | for: 47<br>against: 0<br>abstentions: 2   |                  |                  |                  |                  |
| <b>Members present for the final vote</b>                               | Angelika Beer, Panagiotis Beglitis, André Brie, Elmar Brok, Simon Coveney, Véronique De Keyser, Giorgos Dimitrakopoulos, Camiel Eurlings, Maciej Marian Giertych, Ana Maria Gomes, Alfred Gomolka, Richard Howitt, Toomas Hendrik Ilves, Ioannis Kasoulides, Joost Lagendijk, Vytautas Landsbergis, Cecilia Malmström, Francisco José Millán Mon, Pasqualina Napoletano, Annemie Neyts-Uyttebroeck, Baroness Nicholson of Winterbourne, Justas Vincas Paleckis, Alojz Peterle, Tobias Pflüger, João de Deus Pinheiro, Mirosław Mariusz Piotrowski, Hubert Pirker, Paweł Bartłomiej Piskorski, Michel Rocard, Raúl Romeva i Rueda, Libor Rouček, György Schöpflin, Gitte Seeberg, István Szent-Iványi, Konrad Szymański, Charles Tannock, Inese Vaidere, Ari Vatanen, Karl von Wogau, Luis Yañez-Barnuevo García |                  |                  |                  |                  |
| <b>Substitutes present for the final vote</b>                           | Laima Liucija Andrikienė, Árpád Duka-Zólyomi, Glyn Ford, Milan Horáček, Tunne Kelam, Jaromír Kohlíček, Janusz Onyszkiewicz, Rihards Pīks, Aloyzas Sakalas   |                  |                  |                  |                  |
| <b>Substitutes under Rule 178(2) present for the final vote</b>         |   |                  |                  |                  |                  |
| <b>Date tabled</b>  | 2.5.2006  |                  |                  |                  |                  |
| <b>Comments (available in one language only)</b>                        |   |                  |                  |                  |                  |