

EUROPEAN PARLIAMENT

2004



2009

Committee on Budgets

2004/0223(COD)

25.10.2005

OPINION

of the Committee on Budgets

for the Committee on Foreign Affairs

on the proposal for a European parliament and a Council regulation
establishing an Instrument for Stability
(COM(2004)0630 – C6-0251/2004 – 2004/0223(COD))

Draftsman: Antonis Samaras

PA_Leg

SHORT JUSTIFICATION

1. The proposal is presented under Article 308 of the Treaty as well as under Article 203 of Euratom (to cover nuclear safety elements of proposal). Following opinions from the legal services, it has been agreed between the Foreign Affairs Committee and the Presidency, during the ongoing discussions, that co-decision shall be applied. However, in exchange, it is expected that some elements concerning the peace-operations and nuclear non-proliferation aspects will be "lifted out" from the proposal.
2. Although it is not for the Budget Committee to comment in detail on this matter, the rapporteur still wishes to underline that all the competencies of the Community under the "1st pillar" should be maintained. The stability instrument must, therefore, contain activities that should be financed under Articles 179 and 181A of the Treaty establishing the European Community as well as certain activities which fall under Article 203 of the Treaty establishing the European Atomic Energy Community. The rapporteur believes that it is highly unreasonable for the Council to expect to move all or some of these actions to the CFSP and then count on Parliament to "automatically" agree to higher CFSP financing, yet with little influence over its policies.
3. Moreover, the rapporteur insists that any changes in the scope of the Regulation compared to the initial proposal should be accompanied by a clear indication of the financial impact of such changes as well as by a proposal for a revised financial framework. The rapporteur has included a financial framework for the whole duration of the proposed regulation since the Interinstitutional Agreement of 6 May 1999 requires such a framework for co-decided acts. The amount is in line with the vote of the plenary and the temporary committee.
4. The draft regulation aims to provide financial and economic assistance to cover three distinct main issues:
 - to respond to crises and threats to human rights and democracy
 - to expand co-operation between EU and third countries in relation to global and regional trans-border challenges affecting the security of citizens
 - to work against technological threats and combat the proliferation of weapons of mass destruction.
5. The proposal must aim to ensure complementarity with the "policy-driven" instruments: the Pre-Accession Instrument, the Neighbourhood Instrument and the Development and Economic Cooperation Instrument. There should be a unified programming, based on country/region strategies and on bridging the core policy instrument with the added elements brought about from the Stability Instrument. Assurances of greater transparency to avoid overlaps and to improve the efficiency of the actions envisaged should also be provided.
6. The rapporteur proposes to establish a procedure whereby the multi-annual policy

strategy papers should be presented to Parliament and should contain indicative financial allocations. This would enable Parliament to retain influence over important policy-aspects of foreign policy but, at the same time, accommodate the need for more flexible interventions without having to go through an entire co-decision procedure in order to modify the whole regulation (normally a procedure of at least 1,5 years). The indicative financial allocations should be presented without prejudice to the budgetary powers of the Parliament.

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 1 a (new)

1a. Points out that the appropriations indicated in the legislative proposal beyond 2006 are subject to the decision on the next multi-annual financial framework;

Amendment 2
Paragraph 1 b (new)

1b. Calls on the Commission, once the next multi-annual framework is adopted, to present, if appropriate, a proposal to adjust the financial reference amount of the programme;

Justification

The financial reference amount cannot be finally established until the Financial Perspective has been adopted. Once it has been adopted, the Commission should submit a legislative proposal with a view to determining the reference amount in accordance with the ceiling set in the Financial Perspective

Proposal for a Regulation

Text proposed by the Commission¹

Amendments by Parliament

Amendment 3 Title

REGULATION OF THE COUNCIL
establishing an Instrument for Stability

REGULATION OF **THE EUROPEAN
PARLIAMENT AND** THE COUNCIL
establishing an Instrument for Stability

Justification

Following a demand from the European Parliament at the legislative trilogue of 4 April 2005, based on an opinion from its legal service, the Council has taken a decision on 4 May 2005 and agreed that the correct legal base should be co-decision.

Amendment 4 Citation 1

Having regard to the Treaty establishing the
European Community, and in particular
Article 308 thereof,

Having regard to the Treaty establishing the
European Community, and in particular
Articles 179 and 181a thereof,

Justification

See amendment 3.

Amendment 5 Citation 2

***Having regard to the opinion of the
European Parliament,***

***Acting in accordance with the procedure in
Article 251 of the Treaty,***

¹ Not yet published in OJ.

Justification

See amendment 3.

Amendment 6

Recital 4

(4) ***The European Council has committed the European Union*** to becoming an effective player in crisis management and the prevention of violent conflict. The EU Programme for the Prevention of Violent Conflicts underlines the “political commitment to pursue conflict prevention as one of the main objectives of the EU’s external relations”. Community financing instruments have a major contribution to make to the this goal and to the development of the Union as a global player.

(4) ***The European Union is committed*** to becoming an effective player in crisis management and the prevention of violent conflict. The EU Programme for the Prevention of Violent Conflicts underlines the “political commitment to pursue conflict prevention as one of the main objectives of the EU’s external relations”. Community financing instruments have a major contribution to make to the this goal and to the development of the Union as a global player.

Justification

Formulation appropriate for a co-decision act.

Amendment 7

Recital 15

(15) Implementation of programmes of assistance in times of crisis and political instability require specific measures to ensure flexibility in decision-making and budget allocation, as well as enhanced measures to ensure coherence with bilateral aid and mechanisms for the pooling of donor funds, including the delegation of public authority tasks through indirect centralised management.

(15) Implementation of programmes of assistance in times of crisis and political instability require specific measures to ensure flexibility ***and transparency*** in decision-making and budget allocation, as well as enhanced measures to ensure coherence with bilateral aid and mechanisms for the pooling of donor funds, including the delegation of public authority tasks through indirect centralised management.

Justification

Especially important since actions in this field may have different funding sources and be implemented in parallel with other instruments.

Amendment 8
Recital 21

(21) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.¹ Strategy documents governing long-term assistance should be submitted to a management committee. A consultative committee should be consulted where particular flexibility is required in the design and implementation of the programme.

(21) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.² Strategy documents governing long-term assistance should be submitted to a management committee. ***Due account shall be given to the evaluation expressed by the European Parliament in accordance with the procedure set out in Article 24a.*** A consultative committee should be consulted where particular flexibility is required in the design and implementation of the programme.

Justification

It is imperative that Parliament is also involved over the strategy documents since the proposed regulation is of a general nature. In a co-decision instrument it is politically irrational for the "strategy" to be decided solely by the Council. Therefore, a procedure compatible with the existing legislative, budgetary and comitology provisions is deemed necessary. We should also ensure that there will be no rigid over-regulation since we should be able to react to changing needs in the international field.

Amendment 9
Article 1

Article 1

General objectives and scope

The Community shall finance measures to promote peace and stability and assure the safety and security of the civilian population in third countries and territories in line with the provisions of this Regulation.

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The Community shall finance measures to promote peace and stability and assure the safety and security of the civilian population in third countries and territories in line with the provisions of this Regulation.

¹ OJ C184 17.7.1999, p. 23.

² OJ C184 17.7.1999, p. 23.

Such measures shall in particular support the policies of the EU relating to:

- the delivery of an effective, timely and integrated response in order to prevent, attenuate or address the consequences of crisis situations, severe political instability or violent conflict;
- major challenges to the establishment or preservation of the rule of law in third countries, including the fight against regional or trans-border challenges such as organised crime, trafficking and terrorism;
- major technological threats with potential trans-border impact, including the promotion of nuclear safety and the fight against the proliferation of weapons of mass destruction;
- the development of peace-keeping and peace-support capacity in partnership with international, regional and sub-regional organisations.

This Regulation also establishes a framework for response to new policy initiatives supported by the European Union in line with the objectives of the Regulation, complementing actions which may be undertaken under the other external financial instruments.

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- the delivery of an effective, timely and integrated response in order to prevent, attenuate or address the consequences of crisis situations, severe political instability or violent conflict;
- major challenges to the establishment or preservation of the rule of law in third countries, including the fight against regional or trans-border challenges such as organised crime, trafficking and terrorism;
- major technological threats with potential trans-border impact, including the promotion of nuclear safety and the fight against the proliferation of weapons of mass destruction;
- the development of peace-keeping and peace-support capacity in partnership with international, regional and sub-regional organisations.

Such measures shall aim to establish the necessary conditions for the implementation of the other external instruments as well as for consistency among the different actions of these instruments. The Commission shall ensure that overlaps are avoided and that the financing of actions is transparent between actions and instruments.

This Regulation also establishes a framework for response to new policy initiatives supported by the European Union in line with the objectives of the Regulation, complementing actions which may be undertaken under the other external financial instruments.

Justification

Whenever the policy-driven instruments cannot prevent the creation of grey-zones or of

overlapping, the Stability Instrument is also designed to appropriately intervene.

Amendment 10
Article 4, paragraph 2

2. Exceptional assistance measures shall respond to a situation of crisis or extreme urgency or a threat to democracy, or the rule of law, or human rights and fundamental freedoms, where the effectiveness of the measures is particularly dependent on rapid or flexible implementation. The Commission may also adopt exceptional assistance measures in order to deliver Community measures alongside measures adopted by the Council under Title V of the Treaty on European Union relating to the Common Foreign and Security Policy.

2. Exceptional assistance measures shall respond to a situation of crisis or extreme urgency or a threat to democracy, or the rule of law, or human rights and fundamental freedoms, where the effectiveness of the measures is particularly dependent on rapid or flexible implementation. The Commission may also adopt exceptional assistance measures in order to deliver Community measures alongside measures adopted by the Council under Title V of the Treaty on European Union relating to the Common Foreign and Security Policy. ***The European Parliament and the Council shall be regularly informed on the exceptional assistance measures, including the financial amounts envisaged.***

Justification

Relevant for the budgetary authority

Amendment 11
Article 4, paragraph 4

4. Multi-annual programmes shall consist of measures designed to address long-term issues in the context of stable conditions for cooperation. Such programmes shall be based on:

a) regional and thematic strategies specific to this instrument adopted in line with the provisions of article 7, or

b) the country, regional or thematic strategies adopted under the ***Council*** Regulations establishing the Development Cooperation and Economic Cooperation

4. Multi-annual programmes shall consist of measures designed to address long-term issues in the context of stable conditions for cooperation. Such programmes shall be based on:

a) regional and thematic strategies specific to this instrument adopted in line with the provisions of article 7, or

b) the country, regional or thematic strategies adopted under the ***(deletion)*** Regulations establishing the Development Cooperation and Economic Cooperation

Instrument, the Integrated Pre-accession Instrument, and the European Neighbourhood and Partnership Instrument.

Instrument, the Integrated Pre-accession Instrument, and the European Neighbourhood and Partnership Instrument.

Justification

Not all Regulations are Council Regulations.

Amendment 12
Article 5, paragraph 1

1. The Commission shall maintain a constant dialogue with **the Council** on its planning of exceptional assistance measures under this Regulation. It shall take account of the approach adopted by the Council both in its planning and subsequent implementation of such measures, in the interests of the coherence of EU external action. Where the Commission adopts exceptional assistance measures in accordance with Article 4(2) above it shall inform **the Council** forthwith of the nature, objectives and financial amounts of the measures adopted.

1. The Commission shall maintain a constant dialogue with **the European Parliament and the Council** on its planning of exceptional assistance measures under this Regulation. It shall take account of the approach adopted by the Council both in its planning and subsequent implementation of such measures, in the interests of the coherence of EU external action. Where the Commission adopts exceptional assistance measures in accordance with Article 4(2) above it shall inform **the European Parliament and the Council** forthwith of the nature, objectives and financial amounts of the measures adopted.

Justification

The legislative and budgetary authority should be kept informed.

Amendment 13
Article 5, paragraph 2

2. The Commission may within the period of nine months referred to in the second subparagraph of paragraph 1 adopt a interim response programme, in accordance with Article 4(3) above, building on the exceptional measures adopted and paving the way for the resumption of normal cooperation if this is possible.

2. The Commission may within the period of nine months referred to in the second subparagraph of paragraph 1 adopt a interim response programme, in accordance with Article 4(3) above, building on the exceptional measures adopted and paving the way for the resumption of normal cooperation if this is possible.

Where the Commission has conducted an ad hoc revision of its country or regional strategies in response to one of the situations described in Article 4(2) or 4(3) above, such strategies shall provide the basis for the interim programme.

Within **two years** of adopting an interim response programme the Commission shall assess whether conditions continue to justify having recourse to financing under this Regulation. In making this assessment it will consider, in particular, whether the country's assistance needs can now adequately be addressed within the policy framework guiding the delivery of assistance under the other Community external assistance instruments. The Commission shall report on its conclusions to **the committee referred to in Article 25**.

The Commission may adopt an interim response programme without first having adopted exceptional assistance measures.

Where the Commission has conducted an ad hoc revision of its country or regional strategies in response to one of the situations described in Article 4(2) or 4(3) above, such strategies shall provide the basis for the interim programme.

Within **18 months** of adopting an interim response programme the Commission shall assess whether conditions continue to justify having recourse to financing under this Regulation. In making this assessment it will consider, in particular, whether the country's assistance needs can now adequately be addressed within the policy framework guiding the delivery of assistance under the other Community external assistance instruments. The Commission shall report on its conclusions to **the European Parliament and the Council**.

The Commission may adopt an interim response programme without first having adopted exceptional assistance measures.

Justification

The legislative and budgetary authority need to be informed on why certain actions are financed under a certain instrument. For reasons of sound financial and budgetary management, the transition from temporary measures (interim programmes) to the regular programmes should be facilitated.

Amendment 14 Article 8

1. The strategy papers and multi-annual indicative programmes referred to in Article 7, and any revisions thereof, shall be adopted in accordance with the procedure referred to in Article 25 in conformity with the procedure laid down in Article 25(2).

2. The interim response programmes referred to in Article 4(3), shall be adopted by the Commission in accordance with the procedure foreseen in Article 25(3).

Those programmes may be extended in accordance with that procedure.

1. The strategy papers and multi-annual indicative programmes referred to in Article 7, and any revisions thereof, shall be adopted in accordance with the procedure referred to in Article 25 in conformity with the procedure laid down in Article 25(2).

Due account shall be taken to the evaluation expressed in conformity with the procedure laid down in Article 24a.

2. The interim response programmes referred to in Article 4(3), shall be adopted by the Commission in accordance with the procedure foreseen in Article 25(3).

Those programmes may be extended in accordance with that procedure.

Justification

It is imperative that Parliament also exerts its influence over the strategy documents since the proposed regulation is of a general nature. In a co-decision instrument, it would be a grave mistake for the "strategy" to be decided solely by the Council. Therefore, a procedure compatible with the existing legislative, budgetary and comitology provisions is deemed necessary. We should also ensure that there will be no rigid over-regulation, since we should be able to react to changing needs in the international field

Amendment 15 Article 16, paragraph 3

3. In the case of decentralised management, the Commission may decide to use the procurement or grant procedures of the beneficiary country or region.

3. In the case of decentralised management, the Commission may decide to use the procurement or grant procedures of the beneficiary country or region ***after verifying that they respect the basic principles of the Financial Regulation.***

Justification

A clarification relating to the need for transparency, non-discrimination and the avoidance of conflicts of interest.

Amendment 16

Article 24a

- 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;

- Before adopting the strategy papers, multi-annual programmes, and any revisions thereof, referred to in Article 7, 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 Parliament also exerts its influence over the strategy documents since the proposed regulation is of a general nature. In a co-decision instrument, it would be a grave mistake for the "strategy" to be decided solely by the Council. Therefore, a procedure compatible with the existing legislative, budgetary and comitology provisions is deemed necessary. We should also ensure that there will be no rigid over-regulation, since we should be able 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

Amendment 17
Article 25 a (new)

Article 25a

Financial reference amount

1. The indicative financial framework for the implementation of this instrument is set at EUR 4 455 million for a period of seven years beginning on 1 January 2007.

2. If the legal scope of this instrument is revised, the Commission shall present a proposal to adjust the financial reference amount accordingly.

Justification

The reference amount is consistent with EP's negotiating position (Böge report). It is the same as the Commission financial statement for this programme (in current prices) Furthermore, the reference amount for the financial framework 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 amendments to the legislative resolution).

PROCEDURE

Title	Proposal for a European parliament and a Council regulation establishing an Instrument for Stability
References	COM(2004)0630 – C6-0251/2004 – 2004/0223(COD)
Committee responsible	AFET
Opinion by Date announced in plenary	BUDG 11.1.2005
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Antonis Samaras 31.1.2005
Discussed in committee	20.4.2005 14.9.2005 11.10.2005
Date adopted	11.10.2005
Result of final vote	+: 39 –: 0:
Members present for the final vote	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
Substitute(s) present for the final vote	Lidia Joanna Geringer de Oedenberg, Hans-Peter Martin, Jean-Claude Martinez, Peter Šťastný
Substitute(s) under Rule 178(2) present for the final vote	
Comments (data available in one language only)	