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Committee on Budgets

2004/0219(COD)

25.10.2005

OPINION

of the Committee on Budgets

for the Committee on Foreign Affairs

on the proposal for a regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument
(COM(2004)0628 – C6-0129/2004 – 2004/0219(COD))

Draftsman: László Surján

PA_Leg

SHORT JUSTIFICATION

General background

Following the communication on the Financial Perspective 2007-2013¹, the Commission presented a legislative package proposing a drastic simplification of the EU external instruments, driven by the need to facilitate coherence and consistency of external actions, and to achieve better and more with the resources available, by addressing the following principles:

- ◆ *Policy must lead the instruments*
- ◆ *Ensuring overall policy coherence*
- ◆ *Simplifying structure and procedures*
- ◆ *Output-oriented resources allocation*
- ◆ *Better dialogue and coordination with other donors and institutions*
- ◆ *Better dialogue with third countries*

In the new architecture proposed, three general instruments are directly supporting European external policies: the pre-accession policy, the neighbourhood policy and the development policy. Three thematic instruments are designed to respond to crisis situations, whether political, humanitarian or financial, and will cover all third countries. The simplification process will also include the merging of various thematic instruments, which at present are separate, into the main instruments.

European Neighbourhood Policy (ENP)

The European Council has repeatedly stated its determination that enlargement of the Union must not lead to new dividing lines at the external borders of the EU of 25. The European neighbourhood Policy was conceived as a way to respond to this challenge and develop increasingly close relations with our neighbours to the East and South. The Commission has presented a “Strategy Paper on the European Neighbourhood Policy”² (ENP) which spells out how the Union will continue to promote stability, security and prosperity beyond its borders by deepening political cooperation and intensifying economic relations with Russia, the Western NIS, the Southern Caucasus and the Southern Mediterranean countries. The main objective of the policy is to intensify regional and cross-border cooperation.

The ENP covers a wide range of areas: political dialogue and reform; trade; measures preparing partners for gradually obtaining a stake in the Internal Market; justice and home affairs; energy, transport, information society, environment, and research and innovation; social policy and people-to-people contacts, including the opening of certain Community programmes; and cross-border and regional co-operation. The ENP is aimed at developing the full potential of the Association Agreements and Partnership and Cooperation Agreements which for the time being continue to constitute the contractual frameworks for relations between the EU and the neighbouring countries concerned.

¹ COM(2004)0487.

² COM(2004)0373.

European Neighbourhood Policy Instrument

The proposed European Neighbourhood and Partnership Instrument¹ (ENPI) will be the main financial instrument to support the implementation of ENP, which should operate in the new financial perspective 2007-2013. It will focus in particular on supporting the implementation of the ENP Action Plans.

Individual actions and measures, specific objectives and corresponding criteria to measure their attainment will be defined in Country Strategy Papers and National Indicative Programmes. These will be elaborated on the basis of the Action Plans and in-depth analyses of a given country's situation and needs, its capacities and track-record in implementing commitments made, and also the level of ambition in our bilateral relations, such as the actual commitment to shared values. It is imperative to ensure the Parliament's influence in the political priority-setting of these strategies and plans, especially given the framework nature of the proposed text. Amendments have therefore been introduced to make sure this is the case while, at the same time, avoiding over-regulation.

A specific and innovative feature of the ENPI is its cross-border cooperation component. Under this component, the ENPI will finance "joint programmes" bringing together regions of Member States and partner countries sharing a common border. This should bring a radical simplification in procedures and substantial gains in efficiency. This component will be mainly geared towards promoting sustainable economic, social and environmental development in border regions of the EU and the member states.

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 financial framework is adopted, to present, if appropriate, a proposal to adjust the financial reference amount of the programme;

¹ COM(2004)0628 of 29 September 2004.

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 Recital 16

(16) The measures necessary for the implementation of this Regulation are measures to 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.

(16) The measures necessary for the implementation of this Regulation are:

a) following deliberations with the representatives of the Member States in the Council: measures to 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;

b) following deliberations with the European Parliament: measures to be adopted in accordance with the procedure set out in paragraph 26a.

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 Article 4, paragraph 4 and 4 a (new)

¹ Not yet published in OJ.

(4) Community assistance under this Regulation shall **normally** be cofinanced by the beneficiary countries through public funds, contributions from the beneficiaries or other sources.

(4) Community assistance under this Regulation shall be cofinanced by the beneficiary countries through public funds, contributions from the beneficiaries or other sources.

(4a) The rate of co-financing shall normally be in the range of 20 % to 50%. In duly substantiated cases, an action may be financed at a lower co-financing rate, or even in full from the EU budget, if this proves essential for it to be carried out.

Justification

It should be said that co-financing is not just a voluntary concept but essential for good management and ownership of programmes. This principle is also enshrined in the Financial Regulation, especially art. 109 and 169.

Amendment 5 Article 7, paragraph 1

(1) For country or multicountry and thematic programmes, strategy papers shall be adopted, in accordance with the **procedure** referred to in **Article 26(2)**. Strategy papers shall reflect the policy framework and the action plans referred to in Article 3. Strategy papers shall be established for a period compatible with the priorities set in the policy framework and shall contain multiannual indicative programmes including indicative multiannual financial allocations. They shall be reviewed as and when necessary and may be revised in accordance with the procedure referred to in **Article 26(2)**.

(1) For country or multicountry and thematic programmes, strategy papers shall be adopted, in accordance with the **procedures** referred to in **Articles 26(2) and 26a**. Strategy papers shall reflect the policy framework and the action plans referred to in Article 3. Strategy papers shall be established for a period compatible with the priorities set in the policy framework and shall contain multiannual indicative programmes including indicative multiannual financial allocations. They shall be reviewed as and when necessary and may be revised in accordance with the procedure referred to in **Article 26(2) and 26a**.

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.

Such a procedure would allow the Parliament to define, for example, how much (in a %) should be used by regions, how much should go to a specific theme, a specific country etc.

Amendment 6
Article 7, paragraph 3

(3) For the sole purpose of crossborder cooperation, in order to establish the list of joint programmes referred to in Article 9(1), the indicative multiannual allocations and the territorial units eligible to participate in each programme, one or, if necessary, more specific strategy papers shall be adopted in accordance with the procedure referred to in **Article 26(2)**. Such specific strategy paper(s) shall, in principle, cover a seven-year period from 1 January 2007 to 31 December 2013.

(3) For the sole purpose of crossborder cooperation, in order to establish the list of joint programmes referred to in Article 9(1), the indicative multiannual allocations and the territorial units eligible to participate in each programme, one or, if necessary, more specific strategy papers shall be adopted in accordance with the procedure referred to in **Articles 26(2) and 26a**. Such specific strategy paper(s) shall, in principle, cover a seven-year period from 1 January 2007 to 31 December 2013.

Justification

Same as amendment 5.

Amendment 7
Article 13, paragraph 4

(4) The Commission shall send the special measures to the Member States for their information within one month of adopting its decision.

(4) The Commission shall send the special measures to the Member States **and the European Parliament** for their information, within one month of adopting its decision.

Justification

Same as amendment 5.

Amendment 8
Article 26 a (new)

Article 26a

- 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 referred to in Article 7, paragraph 1 and 3 on which the country, multicountry, thematic and joint programmes will be based, 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 political priority-setting in country and/or thematic strategies and actions plans since the proposed regulation is of a framework nature only and stripped of most policy content This can be assured through a procedure compatible with the existing legislative and budgetary 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

Amendment 9

Article 29

The financial reference amount for implementation of this **Regulation over the period 2007-2013 is € 14 929 million**. Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

The **indicative** financial reference amount for implementation of this **instrument is set at EUR 16 978 million for the period of 7 years beginning on 1 January 2007**. Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspectives.

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 2 049 million in current prices is added.

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 the financial perspective (see amendment to the legislative resolution).

PROCEDURE

Title	Proposal for a regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument
References	COM(2004)0628 – C6-0129/2004 – 2004/0219(COD)
Committee responsible	AFET
Opinion by Date announced in plenary	BUDG 14.12.2004
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	László Surján 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 -: :
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)	