

# EUROPEAN PARLIAMENT

2004



2009

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*Committee on Budgets*

**2006/0116(COD)**

10.10.2006

## **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  
on establishing a financing instrument for the promotion of democracy and  
human rights worldwide (European Instrument for Democracy and Human  
Rights)

(COM(2006)0354 – C6-0206/2006 – 2006/0116(COD))

Draftsman: Albert Jan Maat

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## **SHORT JUSTIFICATION**

The proposal for a financial instrument (Regulation) for the promotion of human rights and democracy is based on Articles 179 (development cooperation) and 181a (economic, financial and technical cooperation with third countries other than developing countries). The proposal is subject to the co-decision procedure.

In its original proposals for the external sector for the period 2007-2013, the Commission covered human rights and democracy as a "thematic programme" for the purposes of programming but utilising the legal bases of the other instruments. Following pressure from the Parliament on the need for a separate legal base in order to safeguard the unique and global character of the European Initiative for Human Rights and Democracy (EIDHR), the Commission agreed to present a proposal, within the context of the overall negotiations on the external instruments.

The financial breakdown between the various external instruments, as originally proposed by the Commission and then modified following the agreement on the MFF 2007-2013, will need to be technically adjusted as a result of this proposal. This is evident since various actions related to human rights and democracy are now "lifted out" from them and included instead under this separate cross-cutting instrument.

The foreseen reference amount of EUR 1 103,74 million of this instrument would therefore be financed through "contributions" from the other main instruments, i.e. DCI (development), ENPI (neighbourhood), IPA (pre-accession) and the Stability Instrument. In this way, the overall amounts agreed in the MFF can be respected. The draftsman underlines the importance of consistency across the external instruments to ensure that this will be the case. A standard amendment has therefore been introduced to underline the need for overall compatibility. The draftsman notes that the amount proposed by the Commission for this specific regulation is consistent with the MFF.

A number of amendments have also been introduced to safeguard the prerogatives of the Parliament, most particularly concerning the political choices involved. The proposal as it stands is entirely insufficient as it deals mainly with procedure (framework legislation) and would leave the strategic choices to the implementing phase and under the control of Commission and Member States alone.

## **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 2 a (new)

- 2a. *considers that the financial envelope indicated in the legislative proposal must be compatible with the ceiling of heading 4 of the new multiannual financial framework (MFF) and points out that the annual amount will be decided within the annual budgetary procedure, in accordance with the provisions of point 37 of the IIA of 17 May 2006;*

*Justification*

*Standard amendment to ensure overall compatibility with the financial ceilings.*

**Proposal for a regulation**

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

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Amendments by Parliament

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Amendment 2  
Recital 9

(9) In order to address the above issues in an effective, timely and flexible manner beyond the expiry of Council Regulation (EC) No 975/1999 and Council Regulation (EC) No 976/1999, which served as the legal base for the European Initiative for Democracy and Human Rights and which expire by 31 December 2006, specific financial resources and a ***self-contained*** financing instrument are required that can continue to work in an independent manner whilst remaining complementary ***to humanitarian aid and long term development and cooperation financing instruments;***

(9) In order to address the above issues in an effective, timely and flexible manner beyond the expiry of Council Regulation (EC) No 975/1999 and Council Regulation (EC) No 976/1999, which served as the legal base for the European Initiative for Democracy and Human Rights and which expire by 31 December 2006, specific financial resources and a ***separate*** financing instrument are required that can continue to work in an independent manner whilst remaining ***mutually*** complementary ***with the other instruments for the European Union's external policies;***

*Justification*

*It is not at all clear what "self-contained" could mean in this context so "separate" would seem more appropriate. The various instruments for external actions are ultimately all*

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

*interlinked and, therefore, the term "mutually complementary" is appropriate.*

Amendment 3

Recital 14

(14) The relevance and scope of Community assistance in promoting democracy and human rights calls for the Commission to ***seek regular and frequent exchanges of information with*** the European Parliament.

(14) The relevance and scope of Community assistance in promoting democracy and human rights calls for the Commission to ***systematically inform and consult*** the European Parliament ***and the Council on the strategic choices under this instrument. This includes entering into a regular dialogue with the European Parliament and taking due account of its position before and when implementing the strategies.***

*Justification*

*Complying with the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

Amendment 4

Recital 17

(17) This Regulation establishes a financial ***framework*** for the entire duration of the programme which is to be the principal point of reference for the budgetary authority, within the meaning of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management;

(17) This Regulation establishes a financial ***envelope*** for the entire duration of the programme which is to be the principal point of reference for the budgetary authority, within the meaning of point 37 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management;

*Justification*

*The terminology in the IIA of 17 May 2006 was slightly changed compared to the previous one and now uses the term "financial envelope".*

Amendment 5  
Article 3, paragraph 1

1. Community assistance under this Regulation shall be complementary *to that provided for* under the Regulations establishing the Instrument for Pre-accession Assistance, the European Neighbourhood and Partnership Instrument, the Development Cooperation ***Economic Cooperation*** Instrument, the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, on the other part, and the Instrument for Stability. ***Community assistance under this Regulation shall be provided if, and to the extent that, adequate assistance cannot alone be provided under these instruments, or if assistance can be provided more effectively under this Regulation.***

1. Community assistance under this Regulation shall be ***mutually*** complementary ***with assistance provided*** under the Regulations establishing the Instrument for Pre-accession Assistance, the European Neighbourhood and Partnership Instrument, the Development Cooperation Instrument, the Partnership Agreement between the Members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, on the other part, and the Instrument for Stability.

*Justification*

*The mutual complementary role of the instrument needs to be emphasised. The EIDHR should not be seen as a "last resort" when, for one reason or another, an action cannot easily be implemented under a geographical instrument.*

Amendment 6  
Article 3, paragraph 4

4. The Commission shall ***seek regular exchanges of information*** with the European Parliament.

4. The Commission shall ***enter into a regular dialogue*** with the European Parliament, ***and take due account of its position before and when implementing the strategies, as set out in the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement of 17 May 2006.***

### *Justification*

*Complying with the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

#### Amendment 7 Article 5, paragraph 2

2. Strategy papers shall set out the priority areas selected for financing by the Community, the specific objectives, the expected results and the performance indicators. They shall also give the indicative financial allocation, both overall and per priority area; this may be given in the form of a range, where appropriate.

2. Strategy papers shall set out the priority areas selected for financing by the Community, the specific objectives, the expected results and the performance indicators. They shall also give the indicative financial allocation, ***without prejudice to the powers of the budgetary authority***, both overall and ***with an indicative breakdown of resources*** per priority area; this may be given in the form of a range, where appropriate.

### *Justification*

*Complying with the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

#### Amendment 8 Article 5, paragraph 3

3. Strategy Papers, and any revisions or extensions thereof, shall be adopted in accordance with the procedure laid down in Article 16(2). They shall cover no more than the period of validity of this Regulation. Strategy papers shall be reviewed at mid-term, or ad hoc if necessary.

3. Strategy Papers, and any revisions or extensions thereof, shall be adopted in accordance with the procedure laid down in Article 16(2). They shall cover no more than the period of validity of this Regulation. Strategy papers shall be reviewed at mid-term, ***after three years at the latest***, or ad hoc if necessary.

### *Justification*

*Complying with the Declaration on democratic scrutiny and coherence of external actions*

*annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

Amendment 9  
Article 5, paragraph 4 a (new)

***4a. In compliance with Article 3(4), the Commission shall enter into a regular dialogue with the European Parliament on the contents of the strategy papers. It shall take due account of the Parliament's position before and when adopting and implementing the strategies, as set out in the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement of 17 May 2006.***

*Justification*

*Complying with the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

Amendment 10  
Article 6, paragraph 3

3. Annual Action Programmes, and any revisions or extensions thereof, shall be adopted in accordance with the procedure laid down in Article 16(2). ***In cases where amendments to Annual Action Programmes do not exceed 20% of the global amount allocated to them, such amendments shall be adopted by the Commission. It shall inform the Committee referred to in Article 16(1).***

3. Annual Action Programmes, and any revisions or extensions thereof, shall be adopted in accordance with the procedure laid down in Article 16(2).

*Justification*

*Taking into account the general application of comitology in this field, it appears unnecessary that Parliament is being bereft of more of its monitoring rights as one arm of the budgetary authority.*



Amendment 11  
Article 8, paragraph 2

2. Community financing shall also cover expenditure ***at Commission delegations on the administrative support needed to manage*** operations financed under this Regulation.

2. Community financing shall also cover expenditure ***for administrative management support directly linked to*** operations financed under this Regulation.

*Justification*

*In order to make a clearer distinction between the administrative management lines (ex. BA lines) linked with the programme (financed under heading 4) and the administrative lines under heading 5. It does not seem prudent to exclusively limit such expenditure to the delegations as there could also be some actions (for instance training of staff) that could need to be financed at headquarters.*

Amendment 12  
Article 10, paragraph 2

2. The Commission may, in accordance with Article 54 of Regulation (EC, Euratom) No 1605/2002, decide to entrust tasks of public authority, and in particular budget implementation tasks, to bodies referred in Article 54(2)(c) of that Regulation.

2. The Commission may, in accordance with Article 54 of Regulation (EC, Euratom) No 1605/2002, decide to entrust tasks of public authority, and in particular budget implementation tasks, to bodies referred to in Article 54(2)(c) of that Regulation, ***provided that such tasks do not involve making political choices as referred to in Article 54(1) of the same Regulation.***

*Justification*

*This amendment clarifies the conditions for any out-sourcing.*

Amendment 13  
Article 11, paragraph 2

2. Community financing may take one of the following legal forms, inter alia:  
a) grant agreements, grant decisions ***or contribution agreements***;

2. Community financing may take one of the following legal forms, inter alia:  
a) grant agreements ***or*** grant decisions;

b) agreements according to Article 54  
Regulation (EC, Euratom) No 1605/2002;

c) procurement contracts;

**d) employment contracts.**

b) agreements according to Article 54 of  
Regulation (EC, Euratom) No 1605/2002;

c) procurement contracts.

#### *Justification*

*"Contribution agreements" introduces an ambiguous wording. They are covered by the term "grant agreements". In order to avoid legal uncertainty, the term should be deleted. Further, it has to be made clear that - as is now the case - grants may be used by the beneficiaries to employ staff (i.e. conclude employment contracts). However, grants may not lead to direct labour relationships between the EU and a beneficiary.*

#### Amendment 14 Article 15, paragraph 1

1. The Commission shall regularly monitor and review its programmes, ***and evaluate the effectiveness of programming*** in order to ascertain whether the objectives have been met and to enable it to formulate recommendations with a view to improving future operations.

1. The Commission shall regularly monitor and review its programmes. ***It shall also ensure that evaluations are carried out*** in order to ascertain whether the objectives have been met and to enable it to formulate recommendations with a view to improving future operations. ***This shall be done after three years at the latest. Evaluations shall be independent and may consequently not be carried out by personnel and/or bodies involved with the implementation of the programme.***

#### *Justification*

*Evaluations must be independent to have any credibility.*

#### Amendment 15 Article 16, paragraph 4

***4. The minutes of the Committee meetings shall be sent to the European Parliament for information.***

***4. In the context of Articles 5 and 6, the Commission shall enter into a regular dialogue with the European Parliament on the contents of the Strategy Papers and***

***Annual Action Programmes.***

***To this end, all drafts submitted to the committee established under this Article shall be forwarded to the Parliament at the same time as to the Member States.***

***The dialogue shall take place during a meeting of a parliamentary committee or other body indicated by the European Parliament.***

***The Commission shall take due account of the Parliament's position before and when adopting and implementing these measures.***

*Justification*

*Consistent with the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

Amendment 16  
Article 19

19. The Commission shall submit to the European Parliament and to the Council, by 31 December 2010, a report evaluating the implementation of this Regulation in the first three years, if appropriate with a legislative proposal introducing the necessary modifications to the instrument.

19. The Commission shall submit to the European Parliament and to the Council, by 31 December 2010 ***at the latest***, a report evaluating the implementation of this Regulation in the first three years, if appropriate with a legislative proposal introducing the necessary modifications to the instrument.

*Justification*

*Consistent with the Declaration on democratic scrutiny and coherence of external actions annexed to the Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006.*

## PROCEDURE

<b>Title</b>	Proposal for a regulation of the European Parliament and of the Council on establishing a financing instrument for the promotion of democracy and human rights worldwide (European Instrument for Democracy and Human Rights)
<b>References</b>	COM(2006)0354 – C6-0206/2006 – 2006/0116(COD)
<b>Committee responsible</b>	AFET
<b>Opinion by</b> Date announced in plenary	BUDG 6.7.2006
<b>Enhanced cooperation – date announced in plenary</b>	
<b>Drafts(wo)man</b> Date appointed	Albert Jan Maat 26.9.2006
<b>Previous drafts(wo)man</b>	
<b>Discussed in committee</b>	26.9.2006      10.10.2006
<b>Date adopted</b>	10.10.2006
<b>Result of final vote</b>	+:    22 –: 0:
<b>Members present for the final vote</b>	Reimer Böge, Gérard Deprez, Valdis Dombrovskis, Brigitte Douay, Salvador Garriga Polledo, Ingeborg Gräßle, Louis Grech, Nathalie Griesbeck, Catherine Guy-Quint, Jutta D. Haug, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Vladimír Maňka, Mario Mauro, Giovanni Pittella, Antonis Samaras, Esko Seppänen, László Surján, Ralf Walter
<b>Substitute(s) present for the final vote</b>	Lidia Joanna Geringer de Oedenberg, José Albino Silva Peneda
<b>Substitute(s) under Rule 178(2) present for the final vote</b>	
<b>Comments (available in one language only)</b>	...