



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/0411(COD)

11.6.2012

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 establishing a Partnership Instrument for cooperation with third countries (COM(2011)0843 – C7-0495/2011 – 2011/0411(COD))

Rapporteur: Jan Kozłowski

PA_Legam

SHORT JUSTIFICATION

The proposed Partnership Instrument (PI) is going to replace the existing financing Instrument for Cooperation with Industrialised and other high income countries and territories (ICI), which has been the EU's main mechanism for cooperation with the developed countries since 2007.

The Commission proposal aims at overcoming some of the drawbacks shown by the ICI by providing the EU with a genuine instrument for co-operation with new emerging economies and will pursue the following objectives:

- implement the external dimension of the "Europe 2020" strategy, by giving it a global reach; particular emphasis would be placed on the low carbon future and sustainable development objectives;
- improvement of the market access and development of trade, investment and business opportunities for European companies (and SMEs in particular) by means of economic partnership and business and regulatory cooperation, especially in relation to strategic economic partners;
- enhancement of EU's public visibility and role in the world scene;
- dialogue and co-operation with key global energy producers and consumers in order to address the challenges of safeguarding EU's energy security.

The Commission proposed a budgetary allocation of EUR 1 billion for the PI for 2014 - 2020 in constant 2011 prices. The amount available to ICI and ICI + for the current MFF equalled EUR 304 million in constant 2011 prices.

Although the proposal provides a stepping stone in the direction of simplification of the regulatory system and enhanced access to EU assistance for partner countries and beneficiaries, your Rapporteur would like to point out some of the persisting problems:

- The need for more coherence and coordination of various forms of funding to avoid overlaps
- Full integration of the Budgetary authority in decision-making and implementation, where EU budget spending is involved
- More coordination with the provisions of the Financial Regulation
- Rightful allocation of EU money, through precision as to whether or not performance reserves should be set under this instrument, and the rules for their application.

AMENDMENTS

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

Amendment 1

Draft legislative resolution Paragraph 1a (new)

Text proposed by the Commission

Amendment

1a. Points out that the financial envelope specified in the legislative proposal constitutes only an indication to the legislative authority and can not be fixed until agreement is reached on the proposal for a regulation laying down the Multiannual Financial Framework for the years 2014-2020;

Amendment 2

Draft legislative resolution Paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. Recalls its resolution of 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe¹; reiterates that sufficient additional resources are needed in the next Multiannual Financial Framework in order to enable the Union to fulfil its existing policy priorities and the new tasks provided for in the Treaty of Lisbon, as well as to respond to unforeseen events; points out that even with an increase in the level of resources for the next MFF of at least 5% compared to the 2013 level only a limited contribution can be made to the achievement of the Union's agreed objectives and commitments and the principle of Union solidarity; challenges the Council, if it does not share this approach, to clearly identify which of its political priorities or projects could be

dropped altogether, despite their proven European added value;

¹ *Texts adopted, P7_TA(2011)0266.*

Amendment 3

Proposal for a regulation Recital -1 (new)

Text proposed by the Commission

Amendment

(-1) Whereas this Regulation should lay down, for the entire duration of the instrument, a financial envelope constituting the prime reference, within the meaning of point [] of the Interinstitutional Agreement of XX/201Z between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management, for the budgetary authority during the annual budgetary procedure;

Amendment 4

Proposal for a regulation Recital -1 a (new)

Text proposed by the Commission

Amendment

(-1a) Whereas improving implementation and quality of spending should constitute guiding principles for achieving the objectives of the instrument while ensuring optimal use of the financial resources;

Amendment 5

Proposal for a regulation Recital -1b (new)

Text proposed by the Commission

Amendment

(-1b) Whereas it is important to ensure sound financial management of the instrument and its implementation in the most effective and user-friendly manner possible, while also ensuring legal certainty and the accessibility of the instrument to all participants.

Amendment 6

Proposal for a regulation Recital 8

Text proposed by the Commission

Amendment

(8) The EU needs a financial instrument of global scope allowing the financing of measures that might not qualify as ODA but which are crucially important for deepening and consolidating its relations with the partner countries concerned, in particular through policy dialogues and development of partnerships.

(8) The EU needs a financial instrument of global scope allowing the financing of measures that might not qualify as ODA but which are crucially important for deepening and consolidating its relations with the partner countries concerned, in particular through policy dialogues and development of **strategic** partnerships.

Amendment 7

Proposal for a regulation Recital 13

Text proposed by the Commission

Amendment

(13) The Union is committed to helping to meet the global 2020 biodiversity targets and to **deliver on** the associated Strategy for resource mobilisation.

(13) The Union is committed to helping to meet the global 2020 biodiversity targets and to **ensuring the success of** the associated Strategy for resource mobilisation.

Amendment 8

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) Promotion of diversified cooperation and partnership initiatives within a single instrument should, furthermore, allow economies of scale, synergy effects, greater effectiveness, more streamlined decision-making and management and a high degree of visibility for the Union's external action.

Amendment

(15) Promotion of diversified cooperation and partnership initiatives within a single instrument should, furthermore, allow economies of scale, ***reduce the risk of overlaps with other external and internal instruments***, synergy effects, greater effectiveness, more streamlined decision-making and management and a high degree of visibility for the Union's external action.

Amendment 9

Proposal for a regulation Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) In its resolution of 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe¹, the European Parliament noted "that the highest percentage of the world's poorest people lives in emerging economies" and insisted "however, in order to incite these governments to better engage in poverty reduction within their own borders, that alternative schemes for development cooperation with these countries, such as co-financing, should be gradually introduced".

¹ *Texts adopted, P7_TA(2011)0266.*

Justification

A reference to paragraph 118 from the resolution 8 June 2011 on "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe" should be made.

Amendment 10

Proposal for a regulation

Article 1 – paragraph 2 – point c

Text proposed by the Commission

(c) enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, education/academic cooperation **and** outreach activities to promote Union's values and interests. This objective may be measured, inter alia, by opinion surveys or evaluations.

Amendment

(c) enhancing widespread understanding and visibility of the Union and its role on the world scene by means of public diplomacy, education/academic cooperation, outreach activities to promote Union's values and interests **and support for civil society organisations and social partners** . This objective may be measured, inter alia, by opinion surveys or evaluations.

Amendment 11

Proposal for a regulation

Article 3 – Paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. In implementing this Regulation, the Union shall aim to ensure that the support towards third countries also finances global public goods, exchanges of best practices in the political, governance, economic and social field, public diplomacy and people to people contacts and is not to the disadvantage of the Union's objectives for growth-oriented EU agenda to modernise the economy, boost competitiveness, improve conditions for SMEs and tackle youth unemployment;

Amendment 12

Proposal for a regulation Article 3 – Paragraph 5

Text proposed by the Commission

5. Measures financed under this Regulation shall be based, where appropriate, on cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and the third countries and regions concerned, and shall also relate to areas linked to the Union's specific interests, policy priorities and strategies.

Amendment

5. Measures financed under this Regulation shall be based, where appropriate, on cooperation policies set out in instruments such as agreements, declarations and action plans between the Union and ***international organisations***, the third countries and regions concerned, and shall also relate to areas linked to the Union's specific interests, policy priorities and strategies.

Amendment 13

Proposal for a regulation Article 3 – Paragraph 6

Text proposed by the Commission

6. Union support under this Regulation shall be implemented in accordance with the Common Implementing Regulation.

Amendment

6. Union support under this Regulation shall be implemented in accordance with the Common Implementing Regulation ***and the Financial Regulation.***

Amendment 14

Proposal for a regulation Article 5 – Paragraph 3

Text proposed by the Commission

3. The multiannual indicative programmes shall also set out the priority areas selected for financing by the Union and shall outline the indicative financial allocation of funds, both overall, per priority area and per partner country or group of partner countries for the period concerned including the participation in global initiatives; these amounts may, where appropriate, be expressed in the form of a

Amendment

3. The multiannual indicative programmes shall also set out the priority areas selected for financing by the Union and shall outline the indicative financial allocation of funds, both overall, per priority area and per partner country or group of partner countries for the period concerned including the participation in global initiatives, ***without prejudice to the powers of the budgetary authority***; these amounts

range.

may, where appropriate, be expressed in the form of a range.

Amendment 15

Proposal for a regulation

Article 5 – Paragraph 5

Text proposed by the Commission

5. A Reserve for unallocated funds may be established in the multi-annual indicative programmes. The allocation of these funds shall be decided in accordance with the Common Implementing Regulation.

Amendment

5. A Reserve for unallocated funds may be established in the multi-annual indicative programmes. The allocation of these funds shall be decided in accordance with the Common Implementing Regulation, ***without prejudice to prerogatives of the budgetary authority*** .

Justification

Although this Article concerns "indicative" financial allocations, which are to be decided in the budgetary process, your Rapporteur finds it necessary for the Parliament to have a more explicit position on content of the funds that remain unallocated.

Amendment 16

Proposal for a regulation

Article 5 – Paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. The Commission shall be empowered to adopt delegated acts in accordance with Article 7 in order to define detailed areas of cooperation for the unallocated funds within the objectives and scope set out in Articles 1 and 2.

Justification

Although this Article concerns "indicative" financial allocations, which are to be decided in the budgetary process, your Rapporteur finds it necessary for the Parliament to have a more explicit position on content of the funds that remain unallocated.

Amendment 17

Proposal for a regulation Article 5 – Paragraph 6

Text proposed by the Commission

6. The examination procedure referred in paragraph (1) shall not apply to nonsubstantial modifications to multiannual indicative programmes, making technical adjustments, reassigning funds within the indicative allocations per priority area or increasing or decreasing the size of the initial overall allocation **by less than 20%**, provided that these modifications do not affect the priority areas and objectives set out in the multi-annual indicative programmes. Such adjustments shall be communicated within one month to the European Parliament and to the Council.

Amendment

6. The examination procedure referred in paragraph (1) shall not apply to nonsubstantial modifications to multiannual indicative programmes, making technical adjustments, reassigning funds within the indicative allocations per priority area or increasing or decreasing the size of the initial overall allocation **within the relevant percentage limit set out in Article 2(2) of the Common Implementing Regulation**, provided that these modifications do not affect the priority areas and objectives set out in the multi-annual indicative programmes. Such adjustments shall be communicated within one month to the European Parliament and to the Council.

Amendment 18

Proposal for a regulation Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5a

Coherence and complementarity of Union assistance

1. In implementing this Regulation, coherence shall be ensured with other areas and instruments of the Union external action, as well as other relevant Union policies.

2. The Union and the Member States shall coordinate their respective support programmes with the aim of increasing the effectiveness and efficiency in the delivery of support and policy dialogue in line with the established principles for

strengthening operational coordination in the field of external support, and for harmonizing policies and procedures. Coordination shall involve regular consultations and frequent exchanges of relevant information during the different phases of the support cycle.

3. The Union shall, in liason with the Member States, take the necessary steps to ensure proper coordination and cooperation with multilateral and regional organisations and entities, including, but not limited to European financial institutions, international financial institutions, United Nations agencies, funds and programmes, private and political foundations and non-EU donors.

Amendment 19

Proposal for a regulation Article 7 – Paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. The power to adopt delegated acts is conferred to the Commission subject to the conditions laid down in this Article.

Amendment 20

Proposal for a regulation Article 7 – Paragraph 1

Text proposed by the Commission

Amendment

1. The delegation of powers referred to in Article 4 shall be conferred for the period of validity of this Regulation.

1. The delegation of powers referred to in Article 4 **and Article 5** shall be conferred for the period of validity of this Regulation.

Amendment 21

Proposal for a regulation

Article 8 – Paragraph 2 – Subparagraph 1

Text proposed by the Commission

2. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount of **EUR 1 812 100 000 from the different external instruments** (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Preaccession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

Amendment

2. As referred to in Article 13, paragraph 2 of the "Erasmus for All" Regulation, in order to promote the international dimension of higher education, an indicative amount **corresponding to 2% of the financial allocations available for the participating instruments** (Development Cooperation Instrument, European Neighbourhood Instrument, Instrument for Preaccession Assistance, Partnership Instrument and the European Development Fund), will be allocated to actions of learning mobility to or from non EU countries and to cooperation and policy dialogue with authorities/institutions/organisations from these countries. The provisions of the "Erasmus for All" Regulation will apply to the use of those funds.

Amendment 22

Proposal for a regulation

Article 8 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

(2a) The EU's financial interests will be protected by means of proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties. These measures will be carried out in accordance with the applicable agreements concluded with international organisations and third countries.

Note: the article in the German version of the Commission proposal is structured

differently from the other language versions (three paragraphs as opposed to two, with paragraph 2 having two subparagraphs).

PROCEDURE

Title	Establishing a Partnership Instrument for cooperation with third countries.
References	COM(2011)0843 – C7-0495/2011 – 2011/0411(COD)
Committee responsible Date announced in plenary	AFET
Opinion by Date announced in plenary	BUDG 17.1.2012
Rapporteur Date appointed	Jan Kozłowski 29.2.2012
Discussed in committee	29.3.2012
Date adopted	31.5.2012
Result of final vote	+: 31 –: 3 0: 3
Members present for the final vote	Marta Andreasen, Richard Ashworth, Francesca Balzani, Zuzana Brzobohatá, Jean-Luc Dehaene, James Elles, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Lucas Hartong, Jutta Haug, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Claudio Morganti, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Alda Sousa, László Surján, Jacek Włosowicz
Substitute(s) present for the final vote	François Alfonsi, Alexander Alvaro, Charles Goerens, Edit Herczog, Jürgen Klute, María Muñoz De Urquiza, Jan Olbrycht, Paul Rübig, Peter Šťastný, Gianluca Susta