



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgets

2011/0413(COD)

22.6.2012

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 an Instrument for Stability
(COM(2011)0845 – C7-0497/2011 – 2011/0413(COD))

Rapporteur: María Muñoz De Urquiza

PA_Legam

SHORT JUSTIFICATION

Brief summary of the proposal

Article 21 TEU makes the preservation of peace, prevention of conflicts and strengthening of international security a central aspect of EU External action. Therefore, the Instrument for Stability (IfS), providing a focal point for crisis response and preparedness, as well as long-term capacity building, is a necessary tool to achieve these objectives, enshrined in the letter of the Treaty.

The IfS addresses needs that are not and cannot be covered by the other instruments for external action, and aims at providing assistance for:

- urgent response to crises beyond humanitarian assistance,
- solving global or trans-regional problems beyond the scope of specific geographic or thematic instruments,
- covering areas not covered by ODA-bound instruments,
- activities that include non-country specific activities.

The Instrument for Stability is particularly important on Union level as the EU has a proven track-record of credibility and neutrality amongst international actors, which gives it good competitive advantage to intervene in many conflict areas.

Budgetary aspects

The Commission proposes to allocate EUR 2.510 billion (constant prices 2011) for the program during 2014-2020. This would represent a 47% increase in real terms compared to the funds allocated for the same instrument between 2007 and 2013 (EUR 1.710 bln, 2011 constant prices). For comparison, the overall increase of funding for Heading 4 is approximately 23,20%. However, one should bear in mind that the proposed increase for this instrument is somehow artificial since in 2007-13 funding has been recurrently taken from the Instrument of Stability for financing other political priorities such as the Food facility for developing countries (Budget 2009) or the renewed neighbourhood policy following the Arab spring (Budgets 2011, 2012, 2013). Indeed, the reference amount originally agreed in 2006-7 for the Instrument of Stability was actually EUR 2.062 billion (current prices).

In this opinion the Rapporteur would like to put emphasis on the need for a simplified and more flexible access to financing for beneficiaries. The Commission proposal is already a step in the right direction by establishing new harmonised, simplified & flexible decision-making procedures, compliant with the Financial Regulation, streamlined effect of financial instruments through improved compatibility and use of leverage effects, flexible decision-making procedures through the use of delegated acts, complementarity between EU and MS assistance.

Nevertheless, the proposal contains some shortcomings, which the Rapporteur would like to address through the suggested amendments. The Rapporteur would like to insist on coordination not only of EU and MS assistance but also coordination and coherence of aid with international, local and regional donors. Furthermore, more flexibility of unspent money

needs to be ensured, as well as sufficient role of the Parliament in the preparation of exceptional assistance measures, assistance for conflict prevention, situations of crisis and addressing global and transregional threats.

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)

Draft legislative resolution

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)

Draft legislative resolution

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 Europe"¹; reiterates that, sufficient additional resources are needed in the next MFF 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; 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 10

Text proposed by the Commission

(10) While Union external assistance has increasing financing needs, the economic and budgetary situation of the Union limits the resources available for such assistance. The Commission must therefore seek the most efficient use of available resources through, in particular, the use of financial instruments with leverage effect. Such leverage effect is increased by allowing the possibility to use and re-use the funds invested and generated by the financial instruments.

Amendment

(10) While Union external assistance has increasing financing needs, the economic and budgetary situation of the Union limits the resources available for such assistance. The Commission must therefore seek the most efficient use of available resources through, in particular, the use of financial instruments with leverage effect, ***but without compromising the just and fair use of the Union's resources***. Such leverage effect is increased by allowing the possibility to use and re-use the funds invested and generated by the financial instruments ***in accordance with the relevant provisions of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities***¹.

¹ *OJ L 248, 16.9.2002, p. 1.*

Amendment 4

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Improving the implementation and quality of spending should constitute a guiding principle for achieving the objectives of the Instrument whilst ensuring optimal use of financial resources.

Amendment 5

Proposal for a regulation Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) It is important to ensure sound financial management of the Instrument and its implementation in the most effective and user-friendly manner possible, whilst also ensuring legal certainty and the accessibility of the Instrument to all participants.

Amendment 6

Proposal for a regulation Recital 13 c (new)

Text proposed by the Commission

Amendment

(13c) Union assistance under this Regulation should be consistent and coherent with the implementation of the other external instruments, and coordinated with bilateral aid provided by Member States, regional and local actors and international organisations. The Commission should ensure that overlaps are avoided and that the financing is transparent as between actions and

instruments.

Amendment 7

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

1. Union technical and financial assistance in pursuit of the specific aims set out in point (a) of Article 1(2) may be undertaken in response to a situation of urgency, crisis or emerging crisis, a situation posing a threat to democracy, law and order, the protection of human rights and fundamental freedoms, or the security and safety of individuals, or a situation threatening to escalate into armed conflict or severely to destabilise the third country or countries concerned. Such measures may also address situations where the Union has invoked the essential elements clauses of international Agreements in order to suspend, partially or totally, cooperation with third countries.

Amendment

1. Union technical and financial assistance in pursuit of the specific aims set out in point (a) of Article 1(2) may be undertaken in response to a situation of urgency, crisis or emerging crisis, a situation posing a threat to democracy, law and order, the protection of human rights and fundamental freedoms, or the security and safety of individuals, or a situation threatening to escalate into armed conflict or severely to destabilise the third country or countries concerned. Such measures may also address situations where the Union has invoked the essential elements clauses of international Agreements in order to suspend, partially or totally, cooperation with third countries. ***The European Parliament and the Council shall be promptly and regularly informed of the exceptional assistance measures, including the financial amounts envisaged, before a decision on those measures is adopted.***

Amendment 8

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

1. The Union shall provide technical and financial assistance in pursuit of the specific aims set out in point (b) of Article 1(2) in the area of conflict prevention, crisis preparedness and peace-building.

Amendment

1. The Union shall provide technical and financial assistance in pursuit of the specific aims set out in point (b) of Article 1(2) in the area of conflict prevention, crisis preparedness and peace-building. ***The European Parliament and the***

Council shall be regularly consulted on the measures proposed, including the financial amounts envisaged.

Amendment 9

Proposal for a regulation Article 5 – subparagraph 1

Text proposed by the Commission

The Union shall provide technical and financial assistance in pursuit of the specific aims set out in point (c) of Article 1(2) in the detailed areas specified in Annex III. The performance indicator for the assistance shall be the degree of alignment with relevant EU external security policy, including the external dimension of internal security.

Amendment

The Union shall provide technical and financial assistance in pursuit of the specific aims set out in point (c) of Article 1(2) in the detailed areas specified in Annex III. The performance indicator for the assistance shall be the degree of alignment with relevant EU external security policy, including the external dimension of internal security. ***The European Parliament and the Council shall be promptly and regularly informed of the measures proposed, including the financial amounts envisaged.***

Amendment 10

Proposal for a regulation Article 7 – paragraph 5

Text proposed by the Commission

5. Before adopting or renewing Exceptional Assistance Measures costing up to EUR 30 000 000, the Commission shall inform the Council of their nature, objectives and the financial amounts envisaged. The Commission shall likewise inform the Council before making significant substantive changes to Exceptional Assistance Measures already adopted. It shall take account of the relevant policy approach of the Council both in its planning and subsequent implementation of such measures, in the interest of the coherence of EU external

Amendment

5. Before adopting or renewing Exceptional Assistance Measures costing up to EUR 30 000 000, the Commission shall inform ***the European Parliament and*** the Council of their nature, objectives and the financial amounts envisaged. The Commission shall likewise inform ***the European Parliament and*** the Council before making significant substantive changes to Exceptional Assistance Measures already adopted. It shall take account of the relevant policy approach of the Council both in its planning and subsequent implementation of such

action.

measures, in the interest of the coherence of EU external action.

Amendment 11

Proposal for a regulation

Article 7 – paragraph 6

Text proposed by the Commission

6. **However**, in exceptional situations of urgency referred to Article 3(1), the Commission may adopt Exceptional Assistance Measures costing up to EUR 3 000 000 **without** prior information to the Council.

Amendment

6. In exceptional situations of urgency referred to Article 3(1), the Commission may adopt Exceptional Assistance Measures costing up to EUR 3 000 000 **with** prior information to **the Parliament and** the Council **by written procedure**.

PROCEDURE

Title	Establishing an Instrument for Stability
References	COM(2011)0845 – C7-0497/2011 – 2011/0413(COD)
Committee responsible Date announced in plenary	AFET 17.1.2012
Opinion by Date announced in plenary	BUDG 17.1.2012
Rapporteur Date appointed	María Muñoz De Urquiza 6.2.2012
Discussed in committee	21.3.2012
Date adopted	20.6.2012
Result of final vote	+: 33 –: 2 0: 2
Members present for the final vote	Richard Ashworth, Francesca Balzani, Reimer Böge, Zuzana Brzobohatá, Andrea Cozzolino, James Elles, Eider Gardiazábal Rubial, Jens Geier, Ingeborg Gräßle, Estelle Grelier, Lucas Hartong, Jutta Haug, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Sergej Kozlík, Giovanni La Via, George Lyon, Barbara Matera, Claudio Morganti, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Alda Sousa, László Surján, Helga Trüpel, Angelika Werthmann
Substitute(s) present for the final vote	Alexander Alvaro, Franziska Katharina Brantner, Lidia Joanna Geringer de Oedenberg, Jürgen Klute, Jan Mulder, María Muñoz De Urquiza, Georgios Papastamkos, Paul Rübig, Peter Šťastný, Theodor Dumitru Stolojan
Substitute(s) under Rule 187(2) present for the final vote	Bogdan Kazimierz Marcinkiewicz