

WRITTEN QUESTION E-1045/04
by Eija-Riitta Korhola (PPE-DE)
to the Commission

Subject: Financial rules for development cooperation projects

According to information published by Finnish development cooperation organisations, the new Financial Regulation adopted by the Commission and other rules in practice have the effect that only goods of European origin may be procured for use in Third-World development cooperation projects funded by the Commission.

If no European products are available, it is possible to resort to local products, but permission for this has to be requested from the Commission in writing two months in advance. Before permission can be granted, the local EU representation checks that European products really are not available.

One example which has been publicly quoted is this (Helsingin Sanomat, 24 March 2004): 'If anyone plans to purchase the wrong make of pencil or buy a tankful of diesel at a filling station which stocks the wrong brand, permission has to be requested from Brussels two months in advance in writing.'

The most important objectives of development cooperation include rendering possible a healthy market economy, not stifling local markets. If what has been publicly claimed is true, the new rules clearly constitute protectionism of a kind which was attempted several decades ago, with bad results.

Can the Commission confirm whether the above interpretation of the rules is correct, and, if it is not, take urgent measures to correct this impression?

If the above is true, what objectives is the Commission pursuing by means of these rules? Is the Commission's action compatible with the objective of coherence of development cooperation?