

# EUROPEAN PARLIAMENT

2004



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*Committee on Industry, Research and Energy*

**2004/0219(COD)**

21.6.2005

## **OPINION**

of the Committee on Industry, Research and Energy

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: Andres Tarand

PA\_Leg

## SHORT JUSTIFICATION

Your draftsman welcomes the Commission's proposal for a regulation concerning the establishment of a European Neighbourhood and Partnership Instrument. The proposal should, however, be clearer and more precisely worded. That is why your rapporteur proposes amendments to clarify the Commission proposal in general, and with particular reference to the areas falling within the remit of the Committee on Industry, Research and Energy.

Your rapporteur seeks to supplement and clarify the objectives of the legislative proposal. To that end, your rapporteur proposes an amendment to include the objective of improving a partner country's development capacity potential in order to reduce regional disparities. Your rapporteur highlights the importance of good management of resources which are not only natural but renewable in order to help protect the environment. He stresses the important role played by SMEs in applying the results of research to industry and services. Reorganising the provisions to encourage cooperation in the energy, telecommunications and transport sectors and deliver safe transport and energy operations, while seeking to promote renewable energy sources, new energy sources, energy efficiency and clean transport, should make the objective of achieving cooperation in the sectors referred to more comprehensible and avoid misunderstandings.

The proposal for a regulation should also explicitly specify the legal safeguards required to ensure that it is applied properly and uncontroversially. Your rapporteur proposes amendments to that effect, relating in particular to eligibility, cofinancing and the adoption of action programmes.

Moreover, your rapporteur repeatedly draws attention to the fact that the European Parliament is not being given a sufficiently important role to play with regard to objectives, principles, programming, the allocation of funds, and the management and evaluation of Community assistance as defined in this regulation. Consequently, your rapporteur proposes amendments to remedy the democratic deficit in those areas, as the proposal fails to reflect the thinking behind the Treaty establishing a Constitution for Europe.

In line with that logic, the European Parliament should be consulted concerning all the guidelines for European Union policy proposed by the Council or the Commission. There should be a requirement for the European Parliament to be involved in all agreements (partnership, cooperation, association and others) which relate to the provision of assistance, including those which do not yet exist. The European Parliament should be consulted on all national, multinational and thematic programmes at the outset under the codecision procedure. The Commission should be responsible for determining the allocation of cross-border cooperation programmes after consulting the European Parliament. The European Parliament, and the Council, should be automatically informed of any decision-making procedures concerning arrangements for the provision of Community assistance.

All these questions have been addressed in the various amendments, accompanied by brief justifications.

## AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following amendments in its report:

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

Amendments by Parliament

Amendment by Reino Paasilinna

Amendment 1  
Recital 9 a (new)

***(9a) Cooperation involving the European Union and the regions adjoining its northern parts, i.e. Northwest Russia, the Baltic and the Arctic regions, should continue to be supported with the aid of the Northern Dimension and of its action programmes.***

Or. fi

*Justification*

*The Northern Dimension, the guidelines for which the European Council adopted in 1999, is an important factor in attaining stable and sustainable development of the regions adjoining the northern parts of the European Union. The point of departure for the Northern Dimension was the need for cooperation on practical grounds in many fields, for example to overcome dangers to the environment and health and those arising from crime, and to promote trade, transport and energy cooperation.*

Amendment by Hannes Swoboda

Amendment 1  
Recital 13 a (new)

***(13a) The underlying logic of this single policy-driven instrument should be considered in the context of the foreign-policy approach provided for in the Treaty***

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

*establishing a Constitution for Europe, in particular as regards the sectors linked to the security of energy supply, promotion of networks and interconnections of telecommunications and international transport.*

Or. en

Amendment by Hannes Swoboda

Amendment 2

Article 2, paragraph 2, point (a) a (new)

*(aa) promoting the establishment of new installations and networks in the field of energy, thus ensuring the security of supply of energy sources;*

Or. en

Amendment 3

Article 2, paragraph 2, point (d a) (new)

*(da) pursuing regional and local development efforts in order to reduce regional imbalances and improve the potential of development capacity;*

*Justification*

*This is a missing objective considered to be important for enhancing the potential of the recipient country to overcome regional disparities and tackle the underlying causes of regional imbalances.*

Amendment 4

Article 2, paragraph 2, point (e)

(e) promoting environmental protection and good management of natural resources;

(e) promoting environmental protection and good management of natural *and renewable* resources;

### *Justification*

*This amendment seeks to remedy a missing link: the management of natural and renewable resources should be considered together for the promotion of environmental protection.*

#### Amendment 5

##### Article 2, paragraph 2, point (k)

(k) promoting the development of a market economy, including measures to support the private sector, encourage investment and promote global trade;

(k) promoting the development of a market economy, including measures to support ***the business environment and*** the private sector, ***in particular, small and medium sized enterprises***, encourage investment and promote global trade;

### *Justification*

*The pursuit of job creation and transposition of research into industrial applications by small and medium-sized enterprises (SMEs) make them the key players for attaining the objectives of this proposal.*

#### Amendment by Ján Hudacký

#### Amendment 6

##### Article 2, paragraph 2, point (k) a (new)

***(ka) promoting mutual cooperation between SMEs, established in the EC and partner countries, especially in the area of innovation by transfer of know-how and advanced technologies;***

Or. en

### *Justification*

*SMEs are the basic cell of the market economy; they are more dynamic and flexible than bigger companies but often lack sufficient resources to conduct proper research. Therefore cooperation in this field between smaller companies can be profitable and drive the EU Member States as well as the partner countries forward.*

#### Amendment 7

##### Article 2, paragraph 2, point (l)

(l) promoting cooperation in the energy, telecommunication and transport **sectors** including on interconnections, **the** networks and their operations, the security and safety of international transport and energy operations, renewable energy sources, energy efficiency and clean transport;

(l) promoting cooperation in **the sectors of** energy, telecommunication and transport, including on **their** interconnections, **their** networks and their operations, **ensuring** the security and safety of international transport and energy operations **and promoting new and** renewable energy sources, energy efficiency and clean transport;

*Justification*

*A rearrangement by sector of this objective renders the text more comprehensible and allows no misunderstanding.*

Amendment 8

Article 2, paragraph 2, point (q)

(q) promoting participation in Community research and innovation activities;

(q) promoting participation in Community **and jointly undertaken** research and innovation activities **leading to industrial and service applications**;

*Justification*

*There can be no worthy research without a useful application of it. And this is the essence of the focus underlying this amendment.*

Amendment 9

Article 2, paragraph 2, point (t)

(t) supporting participation of partner countries in Community programmes and agencies;

(t) supporting **the** participation of partner countries in Community programmes and agencies **having legal personality**;

*Justification*

*This is a clarifying amendment seeking to leave no room for interpretation by stipulating that only agencies having legal personality would be eligible for Community assistance.*

Amendment 10

Article 3

The partnership and cooperation agreements,

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the association agreements and other existing or future agreements which establish a relationship with partner countries, and the relevant **Commission communications and Council conclusions** laying down guidelines for European Union policy towards these countries, shall provide an overall policy framework for the programming of assistance under this Regulation. Jointly agreed action plans or other equivalent documents shall provide a key point of reference for setting assistance priorities.

the association agreements and other existing or future agreements which establish a relationship with partner countries, and the relevant **Council conclusions and Commission communications, which are to be adopted after consulting the European Parliament**, laying down guidelines for European Union policy towards these countries, shall provide an overall policy framework for the programming of assistance under this Regulation. Jointly agreed action plans or other equivalent documents shall provide a key point of reference for setting assistance priorities.

#### *Justification*

*This amendment seeks to remedy the democratic deficit in this field and draws on the logic of the Treaty establishing a Constitution for Europe. Hence the EP should be consulted on all 'guidelines' proposed by the Council or Commission.*

#### Amendment 11 Article 3, paragraph 1 a (new)

***(1a) Where no such agreements between the European Union and partner countries exist, in duly justified cases, assistance may be provided whenever, pursuant to a proposal from the Commission and a decision by the European Parliament and the Council, it is considered useful for the purpose of pursuing European Union policy objectives, and shall be programmed on the basis of such objectives.***

#### *Justification*

*This amendment addresses a possibility for which the proposal makes no provision, i.e. the absence of an agreement, and arrangements for the delivery of EC assistance in that event. But the involvement of the EP is again imperative.*

#### Amendment 12 Article 4, paragraph 2



(2) Community assistance under this Regulation shall normally be established in partnership between the Commission and the beneficiaries. The partnership shall involve, as appropriate, national, regional and local authorities, economic and social partners, civil society and other relevant bodies.

(2) Community assistance under this Regulation shall normally be established in partnership between the Commission and the beneficiaries. The partnership shall involve, as appropriate, national, regional and local authorities, economic and social partners, civil society and other relevant bodies **as referred to and under the conditions laid down in Article 14.**

*Justification*

*This is a necessary clarification and should be seen together with the amendments tabled to Article 14 on eligibility of EC funding.*

Amendment 13  
Article 4, paragraph 4

(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 **or** contributions from the beneficiaries or **from donors. In duly justified cases, cofinancing need not be required from the beneficiary countries.**

*Justification*

*The use of 'other sources' may cause misunderstanding and be misused. The words 'from donors' are intended to mean third country and other institutions wishing to contribute to co-financing.*

Amendment 14  
Article 5, paragraph 2

(2) The Commission and the Member States shall ensure coherence between Community assistance provided under this Regulation and financial assistance provided by the Community and the Member States through other internal and external financial instruments **and by the European Investment Bank.**

(2) The Commission and the Member States shall ensure coherence between Community assistance provided under this Regulation and financial assistance provided by the Community, **Community financial bodies such as the European Investment Bank and the European Investment Fund** and the Member States through other internal and external financial instruments.

### *Justification*

*This amendment seeks to clarify the Community bodies concerned and offer the EIF the possibility of proving its worth, given its mandate.*

#### Amendment 15 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, ***after consulting the European Parliament and prior to invoking*** 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, ***after consulting the European Parliament and prior to invoking*** the procedure referred to in Article 26(2). ***Strategy papers established for a period of four years or longer shall be subject to mid-term revision.***

### *Justification*

*This is another instance of the need to remedy the democratic deficit. The EP ought to be consulted on all programmes before the Management Committee, under the comitology procedure of Decision 1999/468/EC.*

#### Amendment by Šarūnas Birutis

#### Amendment 16 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

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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.

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.

***Strategy papers shall be revised when necessary, after a proposal from a Member State to the Commission, in accordance with the procedure referred to in Article 26 (2). Strategy papers shall be revised mid-term.***

Or. en

#### *Justification*

*The Commission proposal does not mention procedures for revising strategy papers for cross-border cooperation. The necessity of taking into account possible changes in the political situation in partner countries means that flexible revision procedures for strategy papers should be provided for. Strategy papers for cross-border cooperation cover a seven-year period; therefore mid-term revision should be carried out.*

Amendment by Ján Hudacký

Amendment 17

Article 7, paragraph 4 a (new)

***(4a) When preparing multicountry, thematic and cross-border cooperation programmes, the characteristics of the Member States and their regions such as natural resources endeavour, management and human resources capacity, population of the area etc., should also be taken into account.***

Or. en

#### *Justification*

*In order to ensure that cooperation provides added value, it is important to consider not only the preconditions of the partner countries but also the endeavours of the Member States of the EU which will participate in these programmes.*

Amendment by Šarūnas Birutis

Amendment 18  
Article 9, paragraph 4

(4) Within one year of the approval of the strategy paper referred to in Article 7(3), the **participating** countries shall jointly submit proposals for joint programmes to the Commission. The Commission shall adopt each joint programme after assessing its consistency with this Regulation and the implementing rules.

(4) Within one year of the approval of the strategy paper referred to in Article 7(3), **Member States and the partner countries and/or, as appropriate, their partners from national, regional or local authorities as well as economic and social partners, civil society or other relevant competent bodies,** shall jointly submit proposals for joint programmes to the Commission. The Commission shall adopt each joint programme after assessing its consistency with this Regulation and the implementing rules.

Or. en

*Justification*

*It should be clearly defined who has a right to submit proposals for a joint programme. It is essential to provide for this right to be granted not only to national, regional or local authorities but to economic and social partners, civil society or other relevant competent bodies as well. Such a right granted to economic and social partners or other representatives of civil society will ensure that the broadest possible range of actors is involved in the preparation of joint programmes.*

Amendment by Šarūnas Birutis

Amendment 19  
Article 9, paragraph 8

(8) In **exceptional circumstances**, where a joint programme cannot be established owing to problems arising in relations between participating countries, the Commission may adopt a programme which is not a joint programme within the meaning of this Article but which allows the Member State border region or regions concerned to benefit from the assistance provided for in this Regulation.

(8) In **cases** where a joint programme cannot be established owing to problems arising between participating countries, the Commission, **in cooperation with the Member State(s) concerned**, may adopt a programme which is not a joint programme within the meaning of this Article but which allows the Member State border region or regions concerned to benefit from the assistance provided for in this Regulation.

Or. en

### *Justification*

*Problems between participating countries can arise not only in their relations but also when trying to reach agreement on joint proposals for joint programmes (paragraph 4), joint actions (paragraph 7), etc.*

Amendment by Ján Hudacký

#### Amendment 20 Article 10, paragraph 3

(3) ‘Joint managing authority’ shall mean any public or private authority or body, including the state itself, at national, regional or local level, designated jointly by the Member State or States and the partner country or countries covered by a joint programme, having the financial and administrative capacity to manage Community assistance and having the legal capacity to conclude the agreements necessary for the purpose of this Regulation.

(3) ‘Joint managing authority’ shall mean any public or private authority or body, including the state itself, at national, regional or local level, designated jointly by the Member State or States and the partner country or countries covered by a joint programme, having the financial and administrative capacity to manage Community assistance and having the legal capacity to conclude the agreements necessary for the purpose of this Regulation. ***In cases of cross-border cooperation, the joint managing authority shall be located in the border region of a Member State concerned.***

Or. en

### *Justification*

*The subsidiarity principle should be applied when designating a management authority for cross-border cooperation programmes. Greater flexibility and coherence with objectives and needs of the neighbouring regions could be achieved by delegating this responsibility to authorities in the regions directly concerned.*

#### Amendment 21 Article 12, paragraph 2

(2) Action programmes shall specify the objectives pursued, the fields of intervention, the expected results, the management procedures and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an

(2) Action programmes shall specify the objectives pursued, the fields of intervention, the expected results, the management procedures and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an

indicative implementation timetable.

indicative implementation timetable. **They shall include a definition of the type of performance indicators that must be monitored when implementing the measures financed under the programmes.**

*Justification*

*Some quantitative indicators should be used for monitoring action programmes.*

Amendment by Ján Hudacký

Amendment 22  
Article 12, paragraph 4

(4) The Commission shall **send** action programmes and joint crossborder cooperation programmes to the Member States for their information within one month of **adopting its decision**.

(4) The Commission shall **present final version of** action programmes and joint crossborder cooperation programmes to the Member States for their information within one month of **its adoption**.

Or. en

*Justification*

*Softer wording will prevent misunderstandings and show that the programmes were composed in cooperation with the parties concerned.*

Amendment 23  
Article 14, point (g), point (v)

**v. natural persons;**

**deleted**

*Justification*

*'Natural persons' may be considered broadly to include anyone and thus may induce fraud and mismanagement of public funds.*

Amendment 24  
Article 14, point (h), point (x)

x. any non-governmental associations and independent foundations **likely** to contribute

x. any non-governmental associations and independent foundations **having legal**

to development;

***personality that are deemed appropriate*** to contribute to development;

*Justification*

*The wording of the proposal needs major modification in order to make it clear that 'associations' and 'foundations' should have legal personality in order to ensure the proper management of EC assistance.*

Amendment 25  
Article 14, point (i)

***(i) any body or actor necessary to achieve the objectives of this Regulation.*** ***deleted***

*Justification*

*This category should not be proposed, as it could lead to misuse and fraud.*

Amendment 26  
Article 15, paragraph 2, point (a)

(a) to finance targeted administrative cooperation measures involving public-sector experts dispatched from Member States according to specifically designed rules;

(a) to finance ***technical assistance and*** targeted administrative cooperation measures involving public-sector experts dispatched from ***the*** Member States ***involved in the programme;***

*Justification*

*'Technical assistance' has demonstrated its worth as regards third countries and therefore should be encouraged.*

Amendment 27  
Article 15, paragraph 2, point (a a) (new)

***(aa) to finance investments and investment-related activities;***

*Justification*

*The key to development is investment, but uncertain conditions render investment funding more problematic. EC assistance would contribute to a more stable climate for investment and*

*possibly reduce risk.*

Amendment 28  
Article 15, paragraph 2, point (k)

(k) for other ***purposes, as appropriate.***

(k) for other ***measures promoting the objectives referred to in Article 2.***

*Justification*

*This amendment seeks to clarify the circumstances under which supplementary measures may be proposed.*

Amendment 29  
Article 18, paragraph 3

(3) The Commission shall conclude framework agreements with partner countries which shall provide for all measures necessary to ensure the effective implementation of Community assistance and protection of the Community's financial interests.

(3) The Commission shall, ***after informing the European Parliament and the Council of their likely content,*** conclude framework agreements with partner countries which shall provide for all measures necessary to ensure the effective implementation of Community assistance and protection of the Community's financial interests.

*Justification*

*There can be no legitimate management procedures without the EP being at least informed of the content of framework agreements.*

Amendment 30  
Article 24, paragraph 2

(2) The Commission shall send ***its*** evaluation reports to the ***Committee referred to in Article 26*** for information.

(2) The Commission shall send ***monitoring and*** evaluation reports to the ***European Parliament*** for information.

*Justification*

*This amendment seeks to provide the proper framework for parliamentary accountability. The Commission cannot be held accountable to an intergovernmental body (i.e. a Management Committee), thus disregarding EP's rights.*



Amendment 31  
Article 25

The Commission shall examine the progress made on implementing the measures taken under this Regulation and shall submit to the European Parliament and the Council an annual report on the implementation of the assistance. This report shall also be submitted to the European Economic and Social Committee and to the Committee of the Regions. It shall contain information relating to the previous year on the measures financed, the results of monitoring and evaluation exercises, and the implementation of budget commitments and payments broken down by country, region and cooperation sector.

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*Justification*

*This is a necessary correction and a suitable method by which the Commission may be assessed. Hitherto, the recipients of EC funding have not been identified in such annual reports by the Commission. This practice should be now revised and remedied.*

## PROCEDURE

<b>Title</b>	Proposal for a regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument
<b>References</b>	COM(2004)0628 – C6-0129/2004 – 2004/0219(COD)
<b>Committee responsible</b>	AFET
<b>Committee asked for its opinion</b> Date announced in plenary	ITRE 14.12.2004
<b>Enhanced cooperation</b>	No
<b>Drafts(wo)man</b> Date appointed	Andres Tarand 27.1.2005
<b>Discussed in committee</b>	25.4.2005 21.6.2005
<b>Date amendments adopted</b>	21.6.2005
<b>Result of final vote</b>	for: 45 against: abstentions: 1
<b>Members present for the final vote</b>	Ivo Belet, Šarūnas Birutis, Jan Březina, Philippe Busquin, Jerzy Buzek, Joan Calabuig Rull, Pilar del Castillo Vera, Jorgo Chatzimarkakis, Giles Chichester, Den Dover, Lena Ek, Adam Gierak, Umberto Guidoni, András Gyürk, Fiona Hall, Rebecca Harms, Edit Herczog, Ján Hudacký, Romana Jordan Cizelj, Werner Langen, Pia Elda Locatelli, Nils Lundgren, Eluned Morgan, Angelika Niebler, Reino Paasilinna, Umberto Pirilli, Miloslav Ransdorf, Vladimír Remek, Herbert Reul, Paul Rübig, Andres Tarand, Britta Thomsen, Patrizia Toia, Claude Turmes, Nikolaos Vakalis, Alejo Vidal-Quadras Roca
<b>Substitutes present for the final vote</b>	María del Pilar Ayuso González, Zdzisław Kazimierz Chmielewski, Neena Gill, Norbert Glante, Satu Hassi, Peter Liese, Erika Mann, Lambert van Nistelrooij, Francisca Pleguezuelos Aguilar, Vittorio Prodi
<b>Substitutes under Rule 178(2) present for the final vote</b>	