



2023/0397(COD)

19.2.2024

OPINION

of the Committee on Regional Development

for the Committee on Foreign Affairs and Committee on Budgets

on the proposal for a regulation of the European Parliament and of the Council
on establishing the Reform and Growth Facility for the Western Balkans
(COM(2023)0692 – C9-0408/2023 – 2023/0397(COD))

Rapporteur for opinion: Stelios Kympouropoulos

PA_Legam

SHORT JUSTIFICATION

The opinion led by Mr Stelios KYMPOUROPOULOS has been elaborated under extremely limited timeframe. Consequently, no draft opinion was prepared and amendments were tabled directly to the original text. Nevertheless, Rapporteur and shadows Rapporteurs for this opinion were able to agree on a series of amendments, which stress the importance of the involving local and regional authorities in the implementation of the "Reform and Growth Facility for the Western Balkans".

The opinion reiterates the needs to promote a multilevel governance and a place based approach to achieve the gradual integration and territorial cohesion of the States beneficiaries. It also draws attention to the "do no harm to cohesion" principle as a core element of the Facility.

Rapporteur is convinced that the main goal of this opinion is to enhance the philosophy of cohesion policy in the "Reform and Growth Facility for the Western Balkans". He suggests to expand the list of potential beneficiaries based on Quadruple innovation helix framework, like universities, industry, local authorities and civil society in order to have a better impact in their societies.

Other important elements that Rapporteur would like to point out in this opinion are the bottom up approach of national strategic plans, the cross border cooperation for future investments and the structural reforms. Furthermore, he considered that the exchange of good practices and capacity building in local and regional level should be one of the priorities for the future Facility. REGI committee also added key priorities such as promotion of gender equality and the protection of vulnerable social groups.

Rapporteur is also in favour of the importance to promote the goals of economic, social, territorial cohesion by reducing imbalances among regions and countries, as well as by facilitating the connection between the States beneficiaries of the Facility. REGI committee also added key priorities such as promotion of gender equality and the protection of vulnerable social groups.

To conclude, Rapporteur for this opinion believes that it is a great chance under this proposal to enhance the impact to Balkans' citizens and at the same time building a European identity before the future enlargement.

AMENDMENT

The Committee on Regional Development calls on the Committee on Foreign Affairs, as the committee responsible, to take the following into account:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) It is in the common interest of the Union and its Western Balkans partners¹ to advance the efforts to reform political, legal and economic systems of the latter with a view to their future Union membership. The prospect of Union membership has a powerful transformative effect, embedding positive democratic, political, economic and societal **change**.

¹ Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia and Serbia.* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

Amendment

(1) It is in the common interest of the Union and its Western Balkans partners¹ to advance the efforts to reform political, legal **educational** and **socio-economic** systems of the latter with a view to their future Union membership. The prospect of Union membership has a powerful transformative effect, embedding positive democratic, political, economic, **social, territorial** and societal **development and progress**.

¹ Albania, Bosnia and Herzegovina, Kosovo*, Montenegro, North Macedonia and Serbia.* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence

Amendment 2

Proposal for a regulation
Recital 1 a (new)

Text proposed by the Commission

Amendment

(1 a) The European Union must boost the enlargement process and strengthen its presence in the region. The membership for the Western Balkans is in the Union's and its partners' political, security and economic interest. The current geopolitical situation reaffirms the importance of stability and democratic development in the countries and regions at the EU's external borders, including Western Balkans.

Amendment 3

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) There is a need to bring forward some of the advantages of Union membership before accession. Economic convergence is at the heart of these benefits. Currently, the convergence of Western Balkans in terms of GDP per capita expressed in purchasing power standards remains low at between 30% and 50% of the Union average and is not progressing fast enough.

Amendment

(2) There is a need to bring forward some of the advantages of Union membership before accession. Economic, ***social and territorial*** convergence is at the heart of these benefits. ***The objective should be to enable partners to step up reforms and investments to significantly accelerate the speed of the enlargement process and the growth of their economies.*** Currently, the convergence of Western Balkans in terms of GDP per capita expressed in purchasing power standards remains low at between 30% and 50% of the Union average and is not progressing fast enough.

Amendment 4

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) The implementation of that Growth Plan requires increased funding under a dedicated new Financing Instrument, the Reform and Growth Facility, to assist the region in implementing the growth-promoting reforms, regional integration and Common Regional Market.

Amendment

(4) The implementation of that Growth Plan requires increased funding under a dedicated new Financing Instrument, the Reform and Growth Facility, to assist the region in implementing the ***sustainable*** growth-promoting reforms, regional integration and Common Regional Market.

Amendment 5

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) To achieve these goals, special emphasis with respect to investment areas should be placed on sectors that are likely to function as key multipliers for social and economic development: connectivity, including transport, energy, green and digital transitions, education and skills

Amendment

(5) To achieve these goals, special emphasis with respect to investment areas should be placed on sectors that are likely to function as key multipliers for social and economic development: ***sustainable*** connectivity, including ***fair and inclusive*** transport, ***renewable*** energy, green and

development.

digital transitions, education, **research** and skills development, **health, trade and development of trade partnerships, as well as quality of governance and administrative capacity building at all levels, sustainable tourism as well as cultural and creative sectors and industries;**

Amendment 6

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5 a) The full economic growth and job creation potential cannot be reached without tapping into the potential of local economic development and without applying a place-based approach in the design and implementation of the Facility, through structured involvement with municipalities and regions, social partners, civil society organisations and voluntary associations;

Amendment 7

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5 a) The countries of the Western Balkans must be supported to have a clean energy transition, considering that coal provides approximately 70% of the region's electricity ^{1a} and to build a modern, dynamic and decarbonised economy with improved employment opportunities.

^{1a}

<https://webalkans.eu/en/themes/connectivity/energy/>

Amendment 8

Proposal for a regulation Recital 5 b (new)

Text proposed by the Commission

Amendment

(5 b) Prioritizing digitization in Western Balkan countries should continue as a key focus, aiming to enhance overall societal well-being, boost digital literacy, and rapidly expand broadband connectivity.

Amendment 9

Proposal for a regulation Recital 6

Text proposed by the Commission

Amendment

(6) Transport infrastructure is essential to improve connectivity between the Western Balkan partners and with the EU. It should contribute to integrate the region in the Union. In its proposal revising the trans-European transport framework (TEN-T), the Commission included a new Corridor crossing the Western Balkan region (Western-East Mediterranean corridor). The TEN-T network should be the reference for funding transport infrastructure in the region.

(6) **Efficient, safe and environmentally friendly** transport infrastructure is essential to improve connectivity between the Western Balkan partners and with the EU. It should contribute to integrate the region in the Union. In its proposal revising the trans-European transport framework (TEN-T), the Commission included a new Corridor crossing the Western Balkan region (Western-East Mediterranean corridor). The TEN-T network should be **among** the references for funding **sustainable** transport infrastructure in the region.

Amendment 10

Proposal for a regulation Recital 6 a (new)

Text proposed by the Commission

Amendment

(6 a) Improving connectivity within the Western Balkans, as well as between the

Western Balkans and the European Union, is a key factor for growth and jobs and will bring clear benefits for the region's economies and citizens, having regard that infrastructure development in the region is about 50% lower than the EU average^{2a}

2a

<https://www.eib.org/en/stories/infrastructure-development-western-balkans>

Amendment 11

Proposal for a regulation Recital 7 b (new)

Text proposed by the Commission

Amendment

(7 b) Highlight the importance of supporting socio-economic development in the Balkan countries including through the promotion of employment and access to basic services such as education and health care.

Amendment 12

Proposal for a regulation Recital 9

Text proposed by the Commission

Amendment

(9) The support under the Facility should be provided to meet general and specific objectives, based on established criteria and with clear payment conditions. The general objectives of the Facility should be to accelerate regional economic integration, progressive integration with the Union single market, socio-economic convergence of Western Balkans economies and alignment with Union laws, rules, standards, policies and practices with a view to Union membership. The Facility should also help accelerate reforms related

(9) The support under the Facility should be provided to meet general and specific objectives, based on established criteria and with clear payment conditions ***safeguarded by comprehensive audit frameworks***. The general objectives of the Facility should be to accelerate regional economic integration ***and cohesion***, progressive integration with the Union single market, socio-economic convergence of Western Balkans economies and alignment with Union laws, rules, standards, policies and practices with

to fundamentals of the enlargement process, including rule of law, public procurement and State aid control, public finance management and fight against corruption. These objectives should be pursued in a mutually reinforcing manner.

a view to Union membership, ***including the European code of conduct on partnership and the multi-level governance principle***. The Facility should also help accelerate reforms related to fundamentals of the enlargement process, including rule of law, public procurement and State aid control, public finance management and fight against corruption. These objectives should be pursued in a mutually reinforcing manner.

Amendment 13

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) Any measures under the Facility should be fully compliant with the fundamental values of the European Union as stated in Article 3 of the TFEU and contribute to the promotion of the multilevel governance and partnership principles, the place-based approach and the achievement of gradual integration on economic, social and territorial cohesion of the beneficiaries, in line with the spirit of the cohesion policy laid down in Articles 174 and 175 TFEU.

Amendment 14

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) A large part of the EU acquis is implemented at the sub-national level by local and regional authorities. The Facility should support structural reforms with the aim of increasing the effectiveness of public administration at all levels of governance;

Amendment 15

Proposal for a regulation Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) It is essential that all these investments by the European Union in the Western Balkans are brought to the public's attention, to raise awareness of the significance of EU membership and to diminish the influence of Russia or China in the region.

Amendment 16

Proposal for a regulation Recital 10

Text proposed by the Commission

Amendment

(10) The Facility should promote the development effectiveness principles, respecting additionality to the support provided under other Union programmes and instruments and **striving to avoid** duplication between assistance under this Regulation and other assistance provided by the Union, the Member States, third countries, multilateral and regional organisations and entities.

(10) The Facility should promote the development effectiveness principles, respecting additionality to the support provided under other Union programmes and instruments and **preventing** duplication between assistance under this Regulation and other assistance provided by the Union, the Member States, third countries, multilateral and regional organisations and entities.

Amendment 17

Proposal for a regulation Recital 11

Text proposed by the Commission

Amendment

(11) The Facility should ensure consistency with, and support to the general objectives of Union external action as laid down in Article 21 of the Treaty on European Union, including the respect for

(11) The Facility should ensure consistency with, and support to the general objectives of Union external action as laid down in Article 21 of the Treaty on European Union, including the respect for

fundamental rights as enshrined in the EU Charter of Fundamental Rights. It will notably ensure the protection and promotion of human rights, and the rule of law.

fundamental rights as enshrined in the EU Charter of Fundamental Rights. It will notably ensure the protection and promotion of human rights, and the rule of law ***which are the fundamental political prerequisites of the EU accession process.***

Amendment 18

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) The implementation of this Regulation should be guided by the principles of equality and non-discrimination, as elaborated in the Union of Equality strategies. It should promote gender equality and the empowerment of women and girls, and seek to protect and promote women's and girls' rights in line with the EU Gender Action Plans and relevant Council conclusions and international conventions. The implementation of the Facility should be in line with the United Nations Convention on the Rights of Persons with Disabilities and ensure accessibility ***in its*** investments and technical assistance.

Amendment

(13) The implementation of this Regulation should be guided by the principles of equality and non-discrimination, as elaborated in the Union of Equality strategies. It should promote gender equality and the empowerment of women and girls, and seek to protect and promote women's and girls' rights in line with the EU Gender Action Plans and relevant Council conclusions and international conventions. The implementation of the Facility should be in line with the United Nations Convention on the Rights of Persons with Disabilities and ***Strategy for the rights of persons with disabilities 2021-2030. All national plans should ensure accessibility and independent living in their*** investments and technical assistance ***for all vulnerable groups.***

Amendment 19

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13 a) Activities under the Facility should create an enabling environment for women entrepreneurs in rural areas, including legal and policy aspects, to ensure better access to information,

knowledge and skills, as well as to facilitate access to financial resources and thereby create more jobs in rural areas and contributes to generation renewal;

Amendment 20

Proposal for a regulation Recital 13 a (new)

Text proposed by the Commission

Amendment

(13 a) This regulation should promote the European code of conduct on partnership and the multi-level governance principle in order to prepare the Beneficiaries for the future implementation of the European Structural and Investment Funds.

Amendment 21

Proposal for a regulation Recital 13 b (new)

Text proposed by the Commission

Amendment

(13 b) Activities under the Facility should contribute to the reduction of income inequalities at the regions in order to foster social inclusion and ensure sustainable longterm growth;

Amendment 22

Proposal for a regulation Recital 14

Text proposed by the Commission

Amendment

(14) This Regulation should promote the Green Agenda for the Western Balkans⁷ by reinforcing environmental protection, contributing to the mitigation of climate change and increasing resilience to climate change, and accelerating the shift towards a

(14) This Regulation should promote the Green Agenda for the Western Balkans⁷ by reinforcing environmental protection, contributing to the mitigation of climate change and increasing resilience to climate change, and accelerating the shift towards a

low-carbon economy.

low-carbon economy *and achieving climate neutrality by 2050 at the latest.*

⁷ SWD(2020)223 final, 6.10.2020.

⁷ SWD(2020)223 final, 6.10.2020.

Amendment 23

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) The Commission, in cooperation with the Member States and the Beneficiaries, should contribute to increased transparency and accountability in the delivery of assistance, including by implementing appropriate internal control systems and anti-fraud policies. The support under the Facility should be made available under the preconditions that each of the Beneficiaries continues to respect and uphold effective democratic mechanisms and institutions, including a multi-party parliamentary system, and the rule of law, and to guarantee respect for human rights, including the rights of persons belonging to minorities. Another pre-condition should be that Serbia and Kosovo engage constructively in the normalisation of their relations with a view to fully implementing all their respective obligations stemming from the Agreement on the Path to Normalisation and its Implementation Annex as well as all past Dialogue Agreements and engage in negotiations on the Comprehensive Agreement on normalisation of relations.

Amendment

(16) The Commission, in cooperation with the Member States and the Beneficiaries, should contribute to increased transparency and accountability in the delivery of assistance, including by implementing appropriate internal control systems and anti-fraud policies *with enhanced levels of transparency and continuous evaluation by the Commission.* The support under the Facility should be made available under the preconditions that each of the Beneficiaries *respects and upholds* continues to respect and uphold effective democratic mechanisms and institutions, including a multi-party parliamentary system, and the rule of law, and to guarantee respect for human rights, including the rights of persons belonging to *national, religious, cultural and sexual* minorities. Another pre-condition should be that Serbia and Kosovo engage constructively in the normalisation of their relations with a view to fully implementing all their respective obligations stemming from the Agreement on the Path to Normalisation and its Implementation Annex as well as all past Dialogue Agreements and engage in negotiations on the Comprehensive Agreement on normalisation of relations.

Amendment 24

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) Restrictions of eligibility in award procedures under the Facility should be allowed on account of the specific nature of the activity or when the activity affects security or public order.

Amendment

(21) Restrictions of eligibility in award procedures under the Facility should be allowed on account of the specific nature of the activity or when the activity affects security or public order ***in due process with adequate means of appeal to avoid arbitrary use of these provisions based on political partiality.***

Amendment 25

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) The Reform Agendas should include an explanation of the Beneficiary's system to effectively prevent, detect and correct irregularities, corruption, fraud and conflicts of interests, when using the funds provided under the Facility, and the arrangements that ***aim to avoid*** double funding from the Facility and other Union programmes as well as other donors.

Amendment

(27) The Reform Agendas should include an explanation of the Beneficiary's system to effectively prevent, detect and correct irregularities, corruption, fraud and conflicts of interests, when using the funds provided under the Facility, and the arrangements that ***should prevent*** double funding from the Facility and other Union programmes as well as other donors.

Amendment 26

Proposal for a regulation

Recital 47

Text proposed by the Commission

(47) The Commission should ensure that the financial interests of the Union are effectively protected under the Facility. At the same time, given the long track record of financial assistance provided to the Western Balkans Beneficiaries also under indirect management and taking into account their gradual alignment with the Unions internal control standards and practices, the Commission may rely to a

Amendment

(47) The Commission should ensure that the financial interests of the Union are effectively protected under the Facility. At the same time, given the long track record of financial assistance provided to the Western Balkans Beneficiaries also under indirect management and taking into account their gradual alignment with the Unions internal control standards and practices, the Commission may rely to a

great extent on the operation of the national internal control and fraud prevention systems. In particular, the Commission and OLAF should be informed of all suspected cases of irregularities, fraud, corruption and conflict of interests affecting the implementation of funds under the Facility without delay.

great extent on the operation of the national internal control and fraud prevention systems. In particular, the Commission and OLAF should be informed of all suspected cases of irregularities, fraud, corruption and conflict of interests affecting the implementation of funds under the Facility without delay. ***The Commission and OLAF should provide evaluation of said fraud prevention systems and offer recommendations for upgrades or fixes to the Beneficiaries in line with the EU acquis in case of deficiencies.***

Amendment 27

Proposal for a regulation

Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) accelerate regional economic integration and progressive integration with the Union single market;

Amendment

(a) ***foster social, economic and environmental resilience***, accelerate regional economic integration and progressive integration with the Union single market;

Amendment 28

Proposal for a regulation

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) accelerate the socio-economic convergence of Beneficiaries' economies with the Union;

Amendment

(b) accelerate the socio-economic convergence of Beneficiaries' economies with the Union ***and promote their territorial cohesion***;

Amendment 29

Proposal for a regulation

Article 3 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) accelerate alignment with Union values, laws, rules, standards, policies and practices with a view to Union membership

(c) accelerate alignment with Union values, laws, rules, standards, policies and practices, ***fostering economic, social and territorial cohesion and cross-border cooperation*** with a view to Union membership

Amendment 30

Proposal for a regulation

Article 3 – paragraph 2 – point b

Text proposed by the Commission

(b) boost regional economic integration in particular through progress in the establishment of the Common Regional Market;

Amendment

(b) boost regional economic integration ***and territorial cohesion, by facilitating the connection between them,*** in particular through progress in the establishment of the Common Regional Market;

Amendment 31

Proposal for a regulation

Article 3 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(c a) promote the cross-border cooperation within the Beneficiaries, including regions located at the EU's external borders, address common challenges, foster partnerships and boost economic development, social cohesion and environmental sustainability;

Amendment 32

Proposal for a regulation

Article 3 – paragraph 2 – point d

Text proposed by the Commission

(d) support regional economic integration and enhanced integration with the EU single market through improved connectivity in the region in line with

Amendment

(d) support regional economic integration and enhanced integration with the EU single market through improved connectivity in the region in line with

Transeuropean Networks;

Transeuropean Networks ***and promoting infrastructure development and the participation of member states and regions.***

Amendment 33

Proposal for a regulation

Article 3 – paragraph 2 – point e

Text proposed by the Commission

(e) accelerate green transition in line with the 2020 Green Agenda for the Western Balkans and covering all economic sectors, particularly energy, including the transition towards de-carbonised climate-neutral, climate-resilient and circular economy;

Amendment

(e) accelerate green transition in line with the ***Paris Agreement and*** 2020 Green Agenda for the Western Balkans and covering all economic sectors, particularly energy, including the ***fair and inclusive transition*** towards de-carbonised climate-neutral, climate-resilient and circular economy;

Amendment 34

Proposal for a regulation

Article 3 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(e a) promote the cross-border cooperation within the Beneficiaries, including regions located at the EU's external borders in order to achieve energy efficiency and green transition;

Amendment 35

Proposal for a regulation

Article 3 – paragraph 2 – point g

Text proposed by the Commission

(g) boost innovation, particularly for ***SMEs*** and in support of the green and digital transitions;

Amendment

(g) boost innovation, particularly for ***MSMEs*** and in support of the ***fair and inclusive*** green and digital transitions;

Amendment 36

Proposal for a regulation

Article 3 – paragraph 2 – point g a (new)

Text proposed by the Commission

Amendment

(g a) address demographic challenges;

Amendment 37

Proposal for a regulation

Article 3 – paragraph 2 – point h

Text proposed by the Commission

Amendment

(h) boost quality education, training, reskilling and upskilling, **and** employment policies;

(h) boost ***economic and social development, in line with the respective EU accession priorities, with particular attention to women and youth, including through*** quality education, research, training, reskilling and upskilling, employment policies, ***based on European skills agenda, minimum standards for labour laws, income equality, health and safety at work and non-discrimination as well as the promotion of social protection and social dialogue, in order to further align with EU standards and legislation.***

Amendment 38

Proposal for a regulation

Article 3 – paragraph 2 – point h a (new)

Text proposed by the Commission

Amendment

(h a) encourage the comprehensive strategic approach, combining reforms and investments in order to reduce brain drain and promote the Harnessing Talent Platform

Amendment 39

Proposal for a regulation

Article 3 – paragraph 2 – point h a (new)

Text proposed by the Commission

Amendment

(h a) ensure greater protection of labour rights, reduction of income inequalities between regions;

Amendment 40

Proposal for a regulation

Article 3 – paragraph 2 – point i

Text proposed by the Commission

Amendment

(i) further strengthen the fundamentals of the enlargement process, including the rule of law, democracy, the respect of human rights and fundamental freedoms, through promoting an independent judiciary, reinforced security, the fight against fraud, corruption, organised crime and money laundering and terrorism financing, tax evasion and tax fraud; compliance with international law; strengthen freedom of media and academic freedom and an enabling environment for civil society; foster social dialogue; promote gender equality, non-discrimination and tolerance, to ensure and strengthen respect for the rights of persons belonging to minorities;

(i) further strengthen the fundamentals of the enlargement process, including the rule of law, democracy and ***functioning of democratic institutions***, the respect of human rights and fundamental freedoms, through promoting an independent judiciary, reinforced security, the fight against fraud, corruption, organised crime and money laundering and terrorism financing, tax evasion and tax fraud; compliance with international law; ***protect and*** strengthen freedom of media and academic freedom and an enabling environment for civil society; foster social dialogue ***and the protection of labour rights; reduce income inequalities; prevent social dumping***; promote gender equality, non-discrimination and tolerance, to ensure and strengthen respect for the rights of persons belonging to minorities; ***build resilience in fighting Foreign Information Manipulation and Interference (FIMI), including disinformation as well as other hybrid threats that seek to undermine the region's stability, democratic processes and its EU perspective;***

Amendment 41

Proposal for a regulation

Article 3 – paragraph 2 – point i a (new)

Text proposed by the Commission

Amendment

(i a) promote economic, social and territorial cohesion in the long term within the Beneficiaries, including at intra-regional level;

Amendment 42

Proposal for a regulation

Article 3 – paragraph 2 – point i b (new)

Text proposed by the Commission

Amendment

(i b) promote national reforms that enable urban transformations and facilitate the implementation of public investment, boosting coordination with the urban national policies, including for administrative capacity support;

Amendment 43

Proposal for a regulation

Article 3 – paragraph 2 – point j

Text proposed by the Commission

Amendment

(j) reinforce the effectiveness of public administration and support transparency, structural reforms and good governance at all levels, including in the areas of public financial management and public procurement and State aid control; support initiatives and bodies involved in supporting and enforcing international justice in the Western Balkans Beneficiaries.

(j) reinforce the ***capacity and*** effectiveness of public administration and support transparency, structural reforms and good governance at all levels, including in the areas of public financial management and public procurement and State aid control; support ***decentralisation and local development; support*** initiatives and bodies involved in supporting and enforcing international justice in the Western Balkans Beneficiaries;

Amendment 44

Proposal for a regulation

Article 3 – paragraph 2 – point j a (new)

(j a) Foster cooperation in the field of security and the fight against organized crime and the control of irregular migration flows through information exchanges, implementation of appropriate infrastructure, development of effective procedures for the identification and management, training of border personnel and cooperation between Member States and regions.

Amendment 45

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

1. Cooperation under the Facility shall be based on and shall promote the development effectiveness principles, across all modalities, namely ownership of development priorities by the Beneficiaries, a focus on results, inclusive partnerships, transparency and mutual accountability. The cooperation shall be based on effective and efficient resources allocation and use.

Amendment

1. Cooperation under the Facility shall be based on and shall promote the development effectiveness principles, across all modalities, namely ownership of development priorities by the Beneficiaries, a focus on results, inclusive partnerships ***with local and regional authorities, social partners, civil society organisations and voluntary associations***, transparency and mutual accountability. The cooperation shall be based on effective and efficient resources allocation and use

Amendment 46

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

2. Support from the Facility shall be additional to the support provided under other Union programmes and instruments. Activities eligible for funding under this Regulation may receive support from other Union programmes and instruments provided that such support does not cover

Amendment

2. Support from the Facility shall be additional to the support provided under other Union programmes and instruments. Activities eligible for funding under this Regulation may receive support from other Union programmes and instruments provided that such support does not cover

the same cost.

the same cost. ***Stresses the need for synergies with other EU funding tools which have the same geographic and thematic coverage, in order to avoid any double funding.***

Amendment 47

Proposal for a regulation Article 4 – paragraph 4

Text proposed by the Commission

4. Activities under the Facility shall mainstream climate change mitigation and adaptation, biodiversity and environmental protection, human rights, democracy, gender equality and, where relevant, disaster risk reduction, and shall support progress towards the Sustainable Development Goals, promoting integrated actions that can create co-benefits and meet multiple objectives in a coherent way. They shall avoid stranded assets, and shall be guided by the principles of ‘do no harm’ ***and of*** ‘leaving no one behind’, as well as by the sustainability mainstreaming approach underpinning the European Green Deal.

Amendment

4. Activities under the Facility shall mainstream climate change mitigation and adaptation, biodiversity and environmental protection, human rights, democracy, gender equality and, where relevant, disaster risk reduction, and shall support progress towards the Sustainable Development Goals, promoting integrated actions that can create co-benefits and meet multiple objectives in a coherent way. They shall avoid stranded assets, and shall be guided by the principles of ‘do no harm’, ‘leaving no one behind’ ***and the European code of conduct on partnership and the multi-level governance principle,*** as well as by the sustainability mainstreaming approach underpinning the European Green Deal.

Amendment 48

Proposal for a regulation Article 4 – paragraph 4

Text proposed by the Commission

4. Activities under the Facility shall mainstream climate change mitigation and adaptation, biodiversity and environmental protection, human rights, democracy, gender equality and, where relevant, disaster risk reduction, and shall support progress towards the Sustainable Development Goals, promoting integrated

Amendment

4. Activities under the Facility shall ***be in line with the EU's environmental acquis and*** mainstream climate change mitigation and adaptation, biodiversity and environmental protection, human ***and labour*** rights, democracy, ***transparency and civil society participation,*** gender equality and, where relevant, disaster risk

actions that can create co-benefits and meet multiple objectives in a coherent way. They shall avoid stranded assets, and shall be guided by the principles of ‘do no harm’ and of ‘leaving no one behind’, as well as by the sustainability mainstreaming approach underpinning the European Green Deal.

reduction, and shall support progress towards the Sustainable Development Goals, promoting integrated actions that can create co-benefits and meet multiple objectives in a coherent way. They shall avoid stranded assets, and shall be guided by the principles of ‘do no harm’ and of ‘leaving no one behind’, as well as by the sustainability mainstreaming approach underpinning the European Green Deal.

Amendment 49

Proposal for a regulation

Article 4 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7 a. Measures under the Reform Agendas shall be based on the "do no harm to cohesion", the subsidiarity and the multilevel governance principles, building on the involvement of regions and cities. Territorial and place-based approaches of the activities under this Facility shall allow its intervention in relevant economic areas and particularly promote the links between rural and urban areas.

Amendment 50

Proposal for a regulation

Article 4 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7 a. To ensure the efficiency of the financial instrument, Member States may launch regular and shared consultations with Beneficiaries to offer assistance in program formulation.

Amendment 51

Proposal for a regulation

Article 4 – paragraph 7 b (new)

Text proposed by the Commission

Amendment

7 b. The qualitative measures of Reform Agendas shall be based on the Quadruple innovation helix framework, to guarantee a better impact of the reforms and investments in the societies of the Beneficiaires.

Amendment 52

Proposal for a regulation

Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2 a. The Beneficiaries should demonstrate commitment to the European core values and principles, rule of law and democracy, including through their full alignment with the EU's Common Foreign and Security Policy and restrictive measures against the third countries;

Amendment 53

Proposal for a regulation

Article 6 – paragraph 6

Text proposed by the Commission

Amendment

6. The resources referred to in paragraph 2 point (b) may be used for technical and administrative assistance for the implementation of the Facility, such as preparatory actions, monitoring, control, audit and evaluation activities, which are required for the management of the Facility and the achievement of its objectives, in particular studies, meetings of experts, trainings, consultations with the Beneficiary authorities, conferences, consultation of stakeholders, information and communication actions, including

6. The resources referred to in paragraph 2 point (b) may be used for technical and administrative assistance for the implementation of the Facility, such as preparatory actions, monitoring, control, audit and evaluation activities, which are required for the management of the Facility and the achievement of its objectives, in particular studies, meetings of experts, trainings, consultations with the Beneficiary authorities, conferences, consultation of **local and regional authorities, civil society and** stakeholders,

inclusive outreach actions, and corporate communication of the political priorities of the Union, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, as well as all other expenditure at headquarters and Union delegations for the administrative and coordination support needed for the Facility. Finally, expenses may also cover the costs of other supporting activities such as quality control and monitoring of projects or programmes on the ground and the costs of peer counselling and experts for the assessment and implementation of reforms and investments.

information and communication actions, including inclusive outreach actions, and corporate communication of the political priorities of the Union, insofar as they are related to the objectives of this Regulation, expenses linked to IT networks focusing on information processing and exchange, corporate information technology tools, as well as all other expenditure at headquarters and Union delegations for the administrative and coordination support needed for the Facility. Finally, expenses may also cover the costs of other supporting activities such as quality control and monitoring of projects or programmes on the ground and the costs of peer counselling and experts for the assessment and implementation of reforms and investments.

Amendment 54

Proposal for a regulation Article 8 – paragraph 3

Text proposed by the Commission

3. All supplies and materials financed and procured under this Facility shall originate from any country referred to paragraph 1 point (a) and point (b), unless if the supplies and materials cannot be sourced at reasonable conditions in any of those countries. In addition, the rules on restrictions in paragraph 6 apply.

Amendment

3. All supplies and materials financed and procured under this Facility shall originate from any country referred to paragraph 1 point (a) and point (b), unless if the supplies and materials cannot be sourced at reasonable conditions in any of those countries. In ***that case, the procurement should be in line with EU regulations on due diligence in supply chains.*** In addition, the rules on restrictions in paragraph 6 apply.

Amendment 55

Proposal for a regulation Article 8 – paragraph 7

Text proposed by the Commission

7. Tender applicants and candidates

Amendment

7. Tender applicants and candidates

from non-eligible countries may be accepted as eligible ***in the case*** of urgency or where services are unavailable in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of an action impossible or exceedingly difficult.

from non-eligible countries may be accepted as eligible ***only in substantiated cases*** of urgency or where services are unavailable in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of an action impossible or exceedingly difficult, ***with full transparency and backed by legitimate justification.***

Amendment 56

Proposal for a regulation

Article 9 – paragraph 5 – point c a (new)

Text proposed by the Commission

Amendment

(c a) the Beneficiary's commitment to the fundamental EU principle of subsidiarity in the distribution of funds within its jurisdiction, preventing regional or political favouritism.

Amendment 57

Proposal for a regulation

Article 11 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5 a The preparation of the Reform Agendas and the implementation of the measures shall be done in close cooperation with civil society organisations, industry, universities, social partners, local and regional authorities and shall promote their institutional capacity to guarantee the ownership of the reforms and the impact of the investments.

Amendment 58

Proposal for a regulation

Article 12 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

If progress has not taken place, or the preconditions under the Article 5 is no longer met, the payments should be reduced or reconsidered.

Amendment 59

Proposal for a regulation Article 12 – paragraph 3

Text proposed by the Commission

Amendment

3. Macro financial stability, sound public financial management, transparency and oversight of the budget are general conditions for payments that have to be fulfilled for any release of funds.

3. Macro financial stability, sound public financial management, transparency, ***mutual trust between the different levels of governance*** and oversight of the budget are general conditions for payments that have to be fulfilled for any release of funds, ***as well as the capacity of national or sub-national authorities to manage funding programmes irrespective of their level of development.***

Amendment 60

Proposal for a regulation Article 13 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) measures constituting a coherent, comprehensive and adequately balanced response to the objectives set out in Article 3, including structural reforms, investments, and measures to ensure compliance with preconditions ***if appropriate;***

(a) measures constituting a coherent, comprehensive and adequately balanced response to the objectives set out in Article 3, including structural reforms, investments, and measures to ensure compliance with preconditions;

Amendment 61

Proposal for a regulation Article 13 – paragraph 1 – point c

Text proposed by the Commission

(c) an explanation of the extent to which the measures are expected to contribute to climate and environmental objectives;

Amendment

(c) an explanation of the extent to which the measures are expected to contribute to ***the general and specific objectives, in particular, an explanation of the extent to which the measures correspond to the Beneficiaries' economic, social and territorial development and cohesion***, climate and environmental objectives, ***decentralisation and convergence towards the Union's standards***;

Amendment 62

Proposal for a regulation

Article 13 – paragraph 1 – point e

Text proposed by the Commission

(e) the arrangements for the effective monitoring, reporting and evaluation of the Reform Agenda by the Beneficiary, including the relevant indicators set out in paragraph 2;

Amendment

(e) the arrangements for the ***active partnership of the relevant levels of governance, industry, universities and civil society***, effective monitoring, reporting and evaluation of the Reform Agenda by the Beneficiary, including the relevant indicators set out in paragraph 2;

Amendment 63

Proposal for a regulation

Article 13 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(f a) an explanation of the Beneficiary's system for consultation and participation of regional and local authorities and civil society regarding reform needs, their practical implementation and effectiveness, including an explanation of the methodology and processes used for the selection and implementation of projects, and the mechanisms to involve sub-

national authorities, in particular municipalities, in decision-making on the use of support in the reform process at local level; the methodology used to track related expenditure; and an explanation of how the agenda ensures that the projects selected and implemented by such sub-national authorities constitute an adequately substantial share of the support;

Amendment 64

Proposal for a regulation

Article 13 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(f a) provisions facilitating transparency and accountability through the means of easy public access to information related to the distribution of Facility funds.

Amendment 65

Proposal for a regulation

Article 14 – paragraph 3 – point b

Text proposed by the Commission

Amendment

(b) whether the Reform Agenda can be expected to accelerate progress towards bridging the socio-economic gap between the Beneficiary and the Union, and **thereby** enhances their economic, social **and** environmental development **and** supports the convergence towards the Union's standards;

(b) whether the Reform Agenda can be expected to accelerate progress towards bridging the socio-economic gap between the Beneficiary and the Union, and enhances their economic, social, environmental **and territorial** development **cohesion**, supports the convergence towards the Union's standards, **including respect for labour rights, such as labour laws, equality, health and safety at work and non-discrimination as well as the promotion of social protection and social dialogue; whether the methodology and processes used for the selection and implementation of projects, and the mechanisms to involve sub-national**

authorities, in particular regions and municipalities, in decision-making on the use of support at local level are appropriate; whether the methodology used to track related expenditure for the projects selected and implemented by such sub-national authorities is appropriate and whether such projects constitute an adequately substantial share of the support;

Amendment 66

Proposal for a regulation

Article 14 – paragraph 3 – point b

Text proposed by the Commission

(b) whether the Reform Agenda can be expected to accelerate progress towards bridging the socio-economic gap between the Beneficiary and the Union, and thereby enhances their economic, social and environmental development and supports the convergence towards the Union's standards;

Amendment

(b) whether the Reform Agenda can be expected to accelerate progress towards bridging the socio-economic gap between the Beneficiary and the Union, and thereby enhances their economic, social and environmental development and supports the convergence towards the Union's standards ***including respect for labour rights, such as labour laws, equality, health and safety at work and non-discrimination as well as the promotion of social protection and social dialogue;***

Amendment 67

Proposal for a regulation

Article 14 – paragraph 3 – point c

Text proposed by the Commission

(c) whether the Reform Agenda can be expected to accelerate the transition of the Beneficiaries towards sustainable, climate-neutral and climate resilient and inclusive economies ***by*** improving regional connectivity, making progress on the twin transition of green and digital, including biodiversity, and boosting innovation, education and skills and the wider labour

Amendment

(c) whether the Reform Agenda can be expected to accelerate the transition of the Beneficiaries towards sustainable, climate-neutral and climate resilient and inclusive economies, improving regional connectivity, making progress on the ***fair*** twin transition of green and digital, including biodiversity, and boosting innovation, education and skills and the

market;

wider labour market;

Amendment 68

Proposal for a regulation

Article 14 – paragraph 4

Text proposed by the Commission

4. For the purpose of the assessment of the Reform Agendas submitted by the Beneficiaries, the Commission may be assisted by experts.

Amendment

4. For the purpose of the assessment of the Reform Agendas submitted by the Beneficiaries, the Commission may be assisted by experts, ***which can assess the application of certain conditionalities on a case-by-case basis, allowing local, regional and national authorities to present arguments and plans tailored to their country's particular conditions.***

Amendment 69

Proposal for a regulation

Article 15 – paragraph 3 – point e a (new)

Text proposed by the Commission

Amendment

(e a) the Commission's assessment of the fulfillment of the preconditions as laid out in Article 5;

Amendment 70

Proposal for a regulation

Article 21 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall assess without undue delay whether the Beneficiary has achieved satisfactory fulfilment of the payment conditions set out in the Commission implementing decision referred to in Article 15(1). The satisfactory fulfilment of these payment conditions shall presuppose that measures related to the same reforms for which the

2. The Commission shall assess without undue delay whether the Beneficiary has achieved satisfactory fulfilment of the payment conditions set out in the Commission implementing decision referred to in Article 15(1) ***and did not violate the principles specified in Article 5 - paragraph 2a (new).*** The satisfactory fulfilment of these payment

Beneficiary had achieved satisfactory fulfilment in prior decisions have not been reversed by the Beneficiary. The Commission may be assisted by experts.

conditions shall presuppose that measures related to the same reforms for which the Beneficiary had achieved satisfactory fulfilment in prior decisions have not been reversed by the Beneficiary. The Commission may be assisted by experts.

Amendment 71

Proposal for a regulation

Article 23 – paragraph 1 – subparagraph 1

Text proposed by the Commission

For the part of the Facility funding paid as financial assistance, channelled directly to the Beneficiaries' national budgets, the Commission shall rely on existing and improved internal control systems of the Beneficiaries, including the National Audit Authorities and, where applicable, the Anti-Fraud Coordination Services of each Beneficiary established in the framework of the Instrument for Pre-accession Assistance.

Amendment

For the part of the Facility funding paid as financial assistance, channelled directly to the Beneficiaries' national budgets, the Commission shall rely on existing and improved internal control systems of the Beneficiaries, including the National Audit Authorities and, where applicable, the Anti-Fraud Coordination Services of each Beneficiary established in the framework of the Instrument for Pre-accession Assistance ***as well as on local civilian oversight facilitated by transparency measures in line with EU standards.***

**ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur has received input from the following entities or persons in the preparation of the opinion, until the adoption thereof in committee:

Entity and/or person
Permanent Representation of Greece to the E.U.

The list above is drawn up under the exclusive responsibility of the rapporteur.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing the Reform and Growth Facility for the Western Balkans	
References	COM(2023)0692 – C9-0408/2023 – 2023/0397(COD)	
Committees responsible Date announced in plenary	AFET 18.1.2024	BUDG 18.1.2024
Opinion by Date announced in plenary	REGI 18.1.2024	
Rapporteur for the opinion Date appointed	Stelios Kypouroupoulos 10.1.2024	
Rule 58 – Joint committee procedure Date announced in plenary	18.1.2024	
Date adopted	14.2.2024	
Result of final vote	+: –: 0:	31 0 4
Members present for the final vote	Matteo Adinolfi, François Alfonsi, Pascal Arimont, Adrian-Dragoş Benea, Isabel Benjumea Benjumea, Tom Berendsen, Erik Bergkvist, Stéphane Bijoux, Vlad-Marius Botoş, Andrea Cozzolino, Corina Creţu, Rosa D’Amato, Elisabetta De Blasis, Christian Doleschal, Matthias Ecke, Mircea-Gheorghe Hava, Peter Jahr, Manolis Kefalogiannis, Ondřej Knotek, Elżbieta Kruk, Cristina Maestre Martín De Almagro, Nora Mebarek, Martina Michels, Giuseppe Milazzo, Eric Minardi, Alin Mituţa, Dan-Ştefan Motreanu, Andżelika Anna Możdżanowska, Niklas Nienab, Andrey Novakov, Younous Omarjee, Witold Pahl, Alessandro Panza, Tsvetelina Penkova, Maxette Pirbakas, Wolfram Pirchner, Caroline Roose, Marcos Ros Sempere, André Rougé, Susana Solís Pérez, Irène Tolleret, Waldemar Tomaszewski, Monika Vana	
Substitutes present for the final vote	Nicolas Bay, Franc Bogovič, Karolin Braunsberger-Reinhold, Daniel Buda, Isabel Carvalhais, Carlos Coelho, Rosanna Conte, Katalin Cseh, Ciarán Cuffe, Josianne Cutajar, Maria Angela Danzi, Anna Deparnay-Grunenberg, Herbert Dorfmann, Laurence Farreng, Isabel García Muñoz, Alexandra Geese, Mónica Silvana González, Sandro Gozi, Hannes Heide, Krzysztof Jurgiel, Niyazi Kizilyürek, Izabela-Helena Kloc, Maximilian Krah, Stelios Kypouroupoulos, Camilla Laureti, Elena Lizzi, Ana Miranda, Denis Nesci, Jan Olbrycht, Dimitrios Papadimoulis, Mauri Pekkarinen, Sabrina Pignedoli, Rovana Plumb, Stanislav Polčák, Peter Pollák, Bergur Løkke Rasmussen, Bronis Ropé, Tomislav Sokol, Maria Spyraiki, Vera Tax, Jana Toom	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

31	+
ECR	Elżbieta Kruk, Denis Nesci
NI	Maxette Pirbakas
PPE	Pascal Arimont, Isabel Benjumea Benjumea, Tom Berendsen, Daniel Buda, Jarosław Duda, Mircea-Gheorghe Hava, Peter Jahr, Manolis Kefalogiannis, Stelios Kympouropoulos, Andrey Novakov, Wolfram Pirchner
Renew	Stéphane Bijoux, Vlad-Marius Botoș, Karen Melchior, Alin Mituța, Maite Pagazaurtundúa
S&D	Adrian-Dragoș Benea, Isabel Carvalhais, Corina Crețu, Mónica Silvana González, Cristina Maestre Martín De Almagro, Nora Mebarek, Rovana Plumb, Marcos Ros Sempere
Verts/ALE	Ciarán Cuffe, Rosa D'Amato, Caroline Roose, Bronis Ropé

0	-

4	0
ID	André Rougé
NI	Andrea Cozzolino
The Left	Martina Michels, Younous Omarjee

Key to symbols:

+ : in favour

- : against

0 : abstention