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Committee on Development

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PE 359.895v01-00

AMENDMENTS 27-51

Draft report

(PE 355.569v03-00)

Michael Gahler

Proposal for a regulation of the European Parliament and of the Council on the access to Community External Assistance

Proposal for a regulation (COM(2004)0313 – C6-0032/2004 – 2004/0099(COD))

Text proposed by the Commission

Amendments by Parliament

Amendment by Frithjof Schmidt

Amendment 27

Recital 1

(1) The practice of tying the granting of aid, directly or indirectly, to the purchase of goods and services procured by means of that aid in the donor country reduces its effectiveness and is not coherent with a pro-poor development policy. The untying of aid is not an aim in itself, but should be used as a tool to cross-fertilise other elements in the fight against poverty such as ownership, regional integration and capacity building.

(1) The practice of tying the granting of aid, directly or indirectly, to the purchase of goods and services procured by means of that aid in the donor country reduces its effectiveness and is not coherent with a pro-poor development policy. The untying of aid is not an aim in itself, but should be used as a tool to cross-fertilise other elements in the fight against poverty such as ownership, regional integration and capacity building, ***with a focus on empowering local and regional suppliers of goods and services in developing countries.***

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Justification

It is essential that the instrument of untied aid is used to empower the suppliers of goods and services in countries that are recipients of Community aid.

Amendment by Frithjof Schmidt

Amendment 28
Recital 5

(5) In a conclusion on the untying of aid dated 20 May 2003 the Council underlined the need to further untie Community aid. It agreed to the modalities detailed on the afore-mentioned Communication **and** decided on the options proposed.

(5) In a conclusion on the untying of aid dated 20 May 2003 the Council underlined the need to further untie Community aid. It agreed to the modalities detailed on the afore-mentioned Communication, decided on the options proposed **and invited the Commission to examine the consequences of further untying from geographical financial instruments towards all developing countries, including its impact in terms of national and/or regional capacities.**

Justification

These studies will help to clarify the regional implications in developing countries of untying Community assistance and enable the Commission to make a stronger case for the further untying of aid at the Member-State level.

Amendment by Michael Gahler

Amendment 29
Recital 6

(6) On 4 September 2003, a Resolution from the European Parliament on the untying of aid¹ noted the need to further untie Community aid. It supported the modalities

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¹ A5/2003/190, Bulletin/2003/9, 1.6.64

detailed in the afore-mentioned Communication and agreed to the options proposed. It highlighted the need for further debate towards more untying on the base of complementary studies and documented proposals.

detailed in the afore-mentioned Communication and agreed to the options proposed. It highlighted the need for further debate towards more untying on the base of complementary studies and documented proposals ***and called explicitly for "a clear preference for local and regional cooperation, prioritising - in ranking order - suppliers from the recipient country, neighbouring developing countries and other developing countries", in order to strengthen the efforts of the beneficiary countries to improve their own production at national, regional, local and family level, as well as actions aiming at improving the availability and accessibility to the public of foodstuffs and basic services, consistent with local habits and production and trading systems.***

Or. en

Amendment by Frithjof Schmidt

Amendment 30
Recital 6

(6) On 4 September 2003, a Resolution from the European Parliament on the untying of aid noted the need to further untie Community aid. It supported the modalities detailed in the afore-mentioned Communication and agreed to the options proposed. It highlighted the need for further debate towards more untying on the base of complementary studies and documented proposals.

(6) On 4 September 2003, a Resolution from the European Parliament on the untying of aid noted the need to further untie Community aid. It supported the modalities detailed in the afore-mentioned Communication and agreed to the options proposed. It highlighted the need for further debate towards more untying on the base of complementary studies and documented proposals. ***Reflecting this call and the Council's 2003 conclusions, the Commission is hereby requested to undertake two studies: 1) a quantitative assessment of the trade-creating, trade-diverting, and welfare-enhancing effects on key aid recipients of the full untying of Community and bilateral assistance; and 2) a survey of the progress made by Member States, particularly those that joined the***

***European Union in May 2004, in untying
bilateral assistance.***

Or. en

Justification

These studies will help to clarify the regional implications in developing countries of untying Community assistance and enable the Commission to make a stronger case for the further untying of aid at the Member-State level.

Amendment by Maria Martens

Amendment 31
Recital 6

(6) On 4 September 2003, a Resolution from the European Parliament on the untying of aid noted the need to further untie Community aid. It supported the modalities detailed in the afore-mentioned Communication and agreed to the options proposed. It highlighted the need for further debate towards more untying on the base of complementary studies and documented proposals.

(6) On 4 September 2003, a Resolution from the European Parliament on the untying of aid noted the need to further untie Community aid. It supported the modalities detailed in the afore-mentioned Communication and agreed to the options proposed. It highlighted the need for further debate towards more untying on the base of complementary studies and documented proposals. ***In the light of this resolution and the conclusions of the 2003 Council, the Commission must follow up the claims made by Member States, particularly Member States which joined the European Union in May 2004, regarding the untying of bilateral assistance.***

Or. nl

Justification

Following up Member States' claims is an ongoing process; a general overview is not enough.

Amendment by Michael Gahler

Amendment 32
Recital 8 a (new)

(8a) When awarding tenders under a Community instrument, special consideration will be given to the respect of internationally agreed core labour standards of the International Labour Organization (ILO), e.g. the conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination with respect to employment and occupation, and abolition of child labour.

Or. en

Amendment by Michael Gahler

Amendment 33
Article 3 a, title (new)

Article 3a

Experts

Or. en

Amendment by Michael Gahler

Amendment 34
Article 3 a (new)

3a. All experts engaged by tenderers defined in Articles 3 and 7 can be of any nationality. This Article is without prejudice of the qualitative and financial requirements as set out in the Community's procurement rules.

Or. en

Amendment by Frithjof Schmidt

Amendment 35
Article 4

All supplies and materials purchased under a contract financed under a Community instrument must originate from the Community or from an eligible country as defined in Article 3 herein. Origin for the purpose of this Regulation is defined in the relevant Community legislation on rules of origin for customs purposes.

All supplies and materials purchased under a contract financed under a Community instrument must originate from the Community or from an eligible country as defined in Article 3 herein. Origin for the purpose of this Regulation is defined in the relevant Community legislation on rules of origin for customs purposes. ***Local and regional procurement in partner countries and regional development shall be encouraged by relaxing the conditions that apply to cumulation of origin within coherent regional groupings.***

Or. en

Justification

Relaxing conditions for the cumulation of origin between countries belonging to economically-integrated regional entities is thought to boost development within and between such entities. It would also enhance the development impact of untied aid. Revising conditions for regional cumulation is a core aspect of the Commission's recently-published Communication on reforming rules of origin in preferential trading arrangements (COM(2005)0100).

Amendment by Michael Gahler

Amendment 36
Subtitle article 7

Operations involving international institutions or ***third countries***

Operations involving international institutions or ***co-financing***

Or. en

Amendment by Michael Gahler

Amendment 37
Article 7, paragraph 2

(2) Whenever Community funding covers an operation co-financed with a third country, subject to reciprocity as defined in Article 5, or with a regional organisation, participation in the appropriate contractual procedures shall be open to all legal persons who are eligible according to Article 3 as well as to all legal persons who are *nationals* of such third country *or countries member of this* regional organisation. The same rules apply for supplies *and* materials.

(2) Whenever Community funding covers an operation co-financed with a third country, subject to reciprocity as defined in Article 5, or with a regional organisation, *or a member state*, participation in the appropriate contractual procedures shall be open to all legal persons who are eligible according to Article 3 as well as to all legal persons who are *eligible under the rules* of such *a* third country, regional organisation *or member state*. The same rules apply for supplies, materials *and experts*.

Or. en

Amendment by Frithjof Schmidt

Amendment 38
Article 9, title

Rapid Reaction Mechanism

deleted

Or. en

Amendment by Frithjof Schmidt

Amendment 39
Article 9, paragraph 1

(1) "For the purposes of civilian crisis management, within the meaning of Council Regulation (EC) No 381/20 creating a rapid-reaction mechanism¹, the partners eligible shall originate in any country.

deleted

¹ OJ, L 57/5, 27.2.2001.

Or. en

Amendment by Frithjof Schmidt

Amendment 40
Article 9, paragraph 2

(2) The article 6(4)(b) of above mentioned Council Regulation (EC) No 381/2001 is replaced by the following "have their main Headquarters in a Community Member States or in any other country". ***deleted***

Or. en

Justification

The Rapid Reaction Mechanism ought to be excluded from the scope of the proposed regulation because it is designed for "situations of crisis or emerging crisis, situations posing a threat to law and order ... [and] situations threatening to escalate into armed conflict"—circumstances that call for Community action aimed at crisis-management, rather than development.

Amendment by Frithjof Schmidt

Amendment 41
Article 9 a, title (new)

Article 9a
Respect of core principles and strengthening local markets

Or. en

Amendment by Frithjof Schmidt

Amendment 42
Article 9 a, paragraph 1 (new)

(1) In order to enhance the development impact of Community aid through the promotion of local capacities, markets and purchases, priority consideration shall be given in the awarding of procurement and grant contracts to local and regional economic operators in states that are

recipients of Community assistance, as well as to bids with a high degree of local content.

Or. en

Justification

It is absolutely essential that this horizontal regulation seeks to privilege local and regional economic operators in recipient states over those in donor countries in the awarding of procurement and grant contracts financed under a Community instrument. Such treatment is expected to enhance the development impact of untied aid.

Amendment by Frithjof Schmidt

Amendment 43
Article 9 a, paragraph 2 (new)

(2) This regulation shall aim to promote the establishment or development in developing countries of domestic industries, including the development of small-scale and cottage industries in rural or backward areas and economic development of other sectors of the economy.

Or. en

Justification

This amendment, whose language is based on Article V of the plurilateral WTO Agreement on Government Procurement, seeks to reinforce the message that the core purpose of untying aid should be to enhance the development impact of such assistance.

Amendment by Frithjof Schmidt

Amendment 44
Article 9 a, paragraph 3 (new)

(3) This Regulation shall have as one of its objectives the achievement of transparency in the awarding of procurement and grant contracts financed under a Community

instrument.

Or. en

Justification

Transparency in government procurement is a crucial means of levelling the playing field in the Community procurement market and should therefore be seen as an auxiliary objective of untying aid.

Amendment by Frithjof Schmidt

Amendment 45

Article 9 a, paragraph 4 (new)

(4) Tenderers that have been awarded contracts shall respect internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination with respect to employment and occupation, and abolition of child labour.

Or. en

Justification

The objective of untying aid should proceed in parallel with the objective of preventing social dumping in the gradual process of liberalising the Community procurement market.

Amendment by Maria Martens

Amendment 46

Article 9 a, paragraph 4 (new)

(4) Tenderers to whom contracts are awarded shall at the least observe internationally agreed ILO core labour standards.

Or. nl

Amendment by Michael Gahler

Amendment 47

Article 9 a, paragraph 4 (new)

(4) Tenderers that have been awarded contracts shall respect internationally agreed ILO core labour standards.

Or. en

Amendment by Frithjof Schmidt

Amendment 48

Article 9 a, paragraph 5 (new)

(5) Tenderers that have been awarded contracts shall respect the following internationally agreed environmental conventions: The Convention on Biological Diversity of 1992, The Cartagena Protocol on Biosafety of 2000 and the Kyoto Protocol to the United Nations Framework Convention on Climate Change of 1997.

Or. en

Amendment by Frithjof Schmidt

Amendment 49

Article 9 a, paragraph 6 (new)

(6) The access of developing countries to Community external assistance shall be enabled by all technical assistance deemed appropriate. This assistance shall be provided on the basis of non-discrimination among developing countries.

Or. en

Justification

Technical assistance shall enable economic operators in recipient states to better compete with their counterparts in donor countries in bidding for contracts.

Amendment by Frithjof Schmidt

Amendment 50
Article 10

This regulation amends and rules the relevant parts of all existing Community instruments listed in Annex I. The Commission shall amend Annexes II to IV of this Regulation from time to time to take account of any amendments to OECD texts.

This regulation amends and rules the relevant parts of all existing Community instruments listed in Annex I, ***as well as any future instruments with a thematic or geographical scope***. The Commission shall amend Annexes II to IV of this Regulation from time to time to take account of any amendments to OECD texts.

Or. en

Justification

It is crucial that this regulation makes a reference to those future Community external aid instruments with a geographical and thematic scope (the Development Co-operation and Economic Co-operation Instrument, European Neighbourhood and Partnership Instrument, Instrument for Pre-Accession Assistance, and Instrument for Stability) that seek to change the general framework for the programming and delivery of such assistance.

Amendment by Maria Martens

Amendment 51
Article 10

This regulation amends and rules the relevant parts of all existing Community instruments listed in Annex I. The Commission shall amend Annexes II to IV of this Regulation from time to time to take account of any amendments to OECD texts.

This regulation amends and rules the relevant parts of all existing Community instruments listed in Annex I, ***as well as being applicable to any future external assistance instruments with a geographical or thematic scope***. The Commission shall amend Annexes II to IV of this Regulation from time to time to take account of any amendments to OECD texts.

Or. nl