

EUROPEAN PARLIAMENT



session documents

ENGLISH EDITION

8 February 1994

A3-0062/94

REPORT

of the Committee on Development and Cooperation

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on the proposal for a Council regulation on financial and technical cooperation with the Occupied Territories (COM(93)0719 - C3-0036/94 - SYN 94002) and

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on the proposal for a Council Regulation on financial and technical cooperation with the Occupied Territories and amending Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries (COM(93) 0719 - C3-0037/94 SYN 94003)

Rapporteur: Mrs Ursula Braun-Moser

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PE 208.125/fin.
de - Or. EN

- 1. The text of the report.
- 2. Simple majority.
- 3. Two-thirds majority for the text.
- 4. Simple majority.
- 5. Two-thirds majority for the text.
- 6. Simple majority for approval of the text.
- 7. Absolute majority for the text.
- 8. Assent procedure.
- 9. Approval by the Parliament of the text.
- 10. Approval by the Parliament of the text.

- 11. Approval by the Parliament of the text.
- 12. Approval by the Parliament of the text.
- 13. Approval by the Parliament of the text.
- 14. Approval by the Parliament of the text.
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- 18. Approval by the Parliament of the text.
- 19. Approval by the Parliament of the text.
- 20. Approval by the Parliament of the text.



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By letter of 2 February 1994 the Council consulted the European Parliament, pursuant to Article 130w of the EC Treaty, on the Commission proposal to the Council for a Council regulation on financial and technical cooperation with the Occupied Territories and on the Commission proposal for a Council Regulation on financial and technical cooperation with the Occupied Territories and amending Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries. In the same letter the Council requested urgency for the February I part-session in respect of this consultation. At its sitting of 8 February 1994 the Parliament voted in favour of this request for urgency.

At the sitting of 7 February 1994 the President of Parliament announced that he had referred this proposal to the Committee on Development and Cooperation as the committee responsible and to the Committee on Foreign Affairs and Security, the Committee on Budgets and the Committee on External Economic Relations for their opinions.

At its meeting of 8 February 1994 the Committee on Development and Cooperation appointed Mrs Braun-Moser rapporteur.

At its meeting of 8 February 1994 it considered the draft report.

At the latter meeting it adopted the two draft legislative resolutions unanimously.

The following took part in the vote: Saby, chairman; Mantovani, vice-chairman; Braun-Moser, rapporteur; Arbeloa Muru (for Pons Grau); Ernst de la Graete (for Melandri); Günther (for Cassanmagnago Cerretti); McMillan-Scott (for Turner); Miranda de Lage (for Laroni); van Putten, Schmidbauer, Telkämper and Vecchi.

The opinion of the Committee on Budgets is attached to this report. The opinion of the Committee on Foreign Affairs and Security will be published separately. The Committee on External Economic Relations decided not to deliver an opinion.

The report was tabled on 8 February 1994.

The deadline for tabling amendments is 12 noon on 9 February 1994.

A.I
LEGISLATIVE PROPOSAL

Proposal for a Council regulation on financial and technical cooperation with the Occupied Territories (COM(93) 0719 - C3-0036/94 - SYN 94002)

This proposal is approved with the following amendments:

Commission text¹

Amendment

(Amendment No. 1)
Article 2(1)

1. The priority areas for projects and measures implemented under the programme referred to in Article 1 shall be:

infrastructure, production, urban and rural development, education, health, the environment, services, foreign trade, and the setting-up and improvement of institutions necessary for the proper working of the public administration.

1. The priority areas for projects and measures implemented under the programme referred to in Article 1 shall be:

infrastructure, production, urban and rural development, education, health, the environment, services, foreign trade, and the setting-up and improvement of institutions necessary for the proper working of the public administration and the promotion of democracy and human rights.

(Amendment No. 2)
Article 5(1)

1. The Commission shall be assisted by the MED Committee set up under Article 6 of Council Regulation (EEC) No. 1762/92 of 29 June 1992 on the implementation of the protocols on financial and technical cooperation concluded by the Community with Mediterranean non-member countries.

1. The Commission shall be responsible for managing the measures to be implemented and utilizing the appropriations decided on by the budget authority. It shall be assisted by the MED Committee set up under Article 6 of Council Regulation (EEC) No. 1762/92 of 29 June 1992 on the implementation of the protocols on financial and technical cooperation concluded by the Community with Mediterranean non-member countries.

The costs of participation by representatives of Member States in the Committee shall be repaid to the Community.

¹ OJ No. C 24, 28.1.1994, p. 9

Commission text

Amendment

(Amendment No. 3)

Article 5(3)

- (a) The Commission shall adopt the proposed measures if they are in accordance with the opinion of the Committee;
- (b) If the proposed measures are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, send the Council a proposal on the measures to be taken. The Council shall act by a qualified majority.

If the Council has not acted within three months from the date on which the matter was referred to it, the proposed measures shall be adopted by the Commission.

- (a) The Commission shall adopt the proposed measures immediately if they are in accordance with the opinion of the Committee;
- (b) If the proposed measures are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall, without delay, send the Council a proposal on the measures to be taken. The Council shall act by a qualified majority.

If the Council has not acted within one month from the date on which the matter was referred to it, the proposed measures shall be adopted by the Commission.

(Amendment No. 4)

Article 6(2)

The Commission shall evaluate the main projects completed in order to establish whether the objectives fixed during the appraisal of these projects have been achieved and to establish guidelines for making future aid more effective. These evaluation reports shall be sent to the Member States.

The Commission shall evaluate the main projects completed in order to establish whether the objectives fixed during the appraisal of these projects have been achieved and to establish guidelines for making future aid more effective. These evaluation reports shall be sent to the Member States and to the European Parliament.

DRAFT LEGISLATIVE RESOLUTION

Legislative resolution embodying the opinion of the European Parliament on the proposal for a Council regulation on financial and technical cooperation with the Occupied Territories (COM(93)0719 - C3-0036/94 - SYN 94002)

(Cooperation procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(93) 719 final - SYN 94002),
 - having been consulted by the Council pursuant to Article 130w of the EC Treaty (C3-0036/94),
 - having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Foreign Affairs and Security and the Committee on Budgets (A3-0062/94),
1. Approves the Commission proposal in accordance with the vote thereon;
 2. Calls on the Commission to amend its proposal accordingly, pursuant to Article 189a(2) of the EC Treaty;
 3. Calls on the Council to notify parliament should it intend to depart from the text approved by Parliament;
 4. Calls for the conciliation procedure to be opened if the Council should intend to depart from the text approved by Parliament;
 5. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
 6. Instructs its President to forward this opinion to the Council and Commission.

A. II.
LEGISLATIVE PROPOSAL

Proposal for a Council regulation on financial and technical cooperation with the Occupied Territories and amending Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries (COM(93) 0719 - C3-0037/94 - SYN 94003)

This proposal is approved.

DRAFT LEGISLATIVE RESOLUTION

Legislative resolution embodying the opinion of the European Parliament on the proposal for a Council Regulation on financial and technical cooperation with the Occupied Territories and amending Council Regulation (EEC) No 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries (COM(93) 0719 - C3-0037/94 - SYN 94003)

(Cooperation procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(93) 719 final - SYN 94003),
 - having been consulted by the Council pursuant to Article 130w of the EEC Treaty (C3-0037/94),
 - having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Foreign Affairs and Security and the Committee on Budgets (A3-0062/94),
1. Approves the Commission proposal;
 2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 3. Calls for the conciliation procedure to be opened if the Council should intend to depart from the text approved by Parliament;
 4. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
 5. Instructs its President to forward this opinion to the Council and Commission.

B.
EXPLANATORY STATEMENT

In the light of the recent negotiations between the PLO and Israel, the Commission has proposed that financial and technical cooperation with the Occupied Territories, part of which will hopefully soon become the new Palestine entity of Jericho and Gaza, be intensified and expanded.

In the 1994 budget ECU 50 million was voted for this action under Article B7-4083 (in its "fiche financière" the Commission refers to the original line and not to the line on which these appropriations were voted by Parliament in December). This represents the first annual tranche of a five-year programme to provide a total of ECU 250 million. In addition the European Investment Bank may provide finance from its own resources. Community finance under this action may be used for co-financing actions with Member States, non-Member countries in the region, multilateral bodies or the Occupied Territories/Palestine authorities themselves.

The programme gives wide reaching possibilities for assistance, priority areas being : infrastructure, production, urban and rural development, education, health, the environment, services, foreign trade and the setting-up and improvement of institutions required for the operation of public administration.

The Commission shall operate with the MED committee set up under Council Regulation EEC No. 1762/92 of 29.6.1992 on the implementation of the Protocols on financial and technical cooperation concluded by the Community with Mediterranean, non-Member countries. This was the subject of a report by Mr ARBELOA MURU¹ in which dissatisfaction was expressed with the comitology provisions, and an amendment was voted to the Commission proposals.

In the proposed regulation on financial and technical cooperation with the Occupied Territories the Commission proposes a comitology procedure that is again unacceptable to Parliament. Consequently, an amendment to this procedure is proposed - the same amendment as that voted in the ARBELOA MURU resolution.

Article 6 proposes that the Commission should evaluate the main projects completed in order to establish whether the objectives fixed during the appraisal have been achieved and to lay down guidelines for increasing the efficacy of future aid. These evaluation reports are to be sent to the Member States only. It is proposed to amend this Article so that the evaluation reports are also sent to the European Parliament.

The second proposal for a Council Regulation extends Council Regulation (EEC) No 1762/92 of 29 June 1992 on the implementation of protocols on financial and technical cooperation to the Occupied Territories of the West Bank of the Jordan and the Gaza Strip.

With these two amendments to the proposal on financial and technical cooperation with the Occupied Territories, the two proposals for Council Regulations can be approved.

¹ A3-274/91, adopted 15.1.92 (OJ No C 39, 17.2.92, p.56)

OPINION

of the Committee on Budgets

Letter from the Chairman of the Committee on Budgets to Mr Saby, Chairman of the Committee on Development and Cooperation

Strasbourg, 7 February 1994

Subject: Proposal for a Council regulation on financial and technical cooperation with the Occupied Territories and on a proposal for a Council Regulation on financial and technical cooperation with the Occupied Territories and amending Council Regulation (EEC) No. 1763/92 concerning financial cooperation in respect of all Mediterranean non-member countries
(COM(93) 0719 final - C3-0036/94 and C3-0037/94)

Dear Mr Saby,

At its meeting of 7 February 1994, the Committee on Budgets considered the two proposals above.

It noted that they were both submitted under Article 130w of the Treaty on European Union, which sets out the cooperation procedure.

The object of the first proposal is to establish a five-year programme (1994-1998), while the purpose of the second proposal, by amending Community legislation on cooperation with the Mediterranean non-member countries, is to implement the latter in the case of the Occupied Territories.

As far as financing the first proposal (the 1994-1998 five-year programme) is concerned, ECU 50 million in commitment appropriations and ECU 40 million in payment appropriations are contained in item B7-4083 of the 1994 budget.

Three kinds of comment may be made: on the project to be financed, the implementation procedures and the follow-up to the programme:

- projects to be financed: Article 2 of the proposal.
The Commission does not take enough account of the remarks on budget heading B7-4083 when it lists the areas for Community financing. However, the Commission proposal was submitted after the 1994 budget had been adopted;
- procedures for implementing the programme: Article 5 of the proposal.

The Commission continues to favour recourse to the management committee which, in this case, could hold up and even hamper prompt implementation of the projects to be financed. Under the proposal, in the event of disagreement at management committee level, the Commission has three months in which to adopt the proposed measures. Such an arrangement seems difficult to square with the aim of the regulation, which has been put

forward on the basis of the 'progress made in the peace process' and which is intended 'to step up considerably Community aid' to the Palestinians;

- follow-up to the programme: Article 6 of the proposal.
The proposal unilaterally favours arrangements for following-up the main projects (evaluation reports). The Commission intends to set up a system for forwarding such reports to the Member States. However, such provisions are difficult to reconcile with other provisions in the regulation and, in particular, with its aim of maintaining 'the Community character of the aid'.

Accordingly, the Committee on Budgets has delivered a favourable opinion on the proposal amending Regulation 1763/92 and on that containing the five-year programme subject to the amendments below:

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Amendment

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Article 2(1)

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Yours sincerely,

(sgd) T. von der Vring

The following were present for the vote: von der Vring, chairman; Pasty, second vice-chairman; Cornelissen, third vice-chairman; Arias Canete, Colom i Naval, Elles, Langes, Napoletano, Price (for Lo Giudice); Theato and Wynn.

