

European Communities

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 2-1334/84

Report

drawn up on behalf of the Committee on Development
and Cooperation

on the proposal from the Commission of the European
Communities to the Council (Doc. 2-801/84 - COM(84)
526 final) for a decision determining the general
guidelines for 1985 concerning financial and technical
aid to non-associated developing countries

Rapporteur: Mr G. GUERMEUR

PE 94.124/fin.

By letter of 18 October 1984, the President of the Council of the European Communities requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a decision determining the general guidelines for 1985 concerning financial and technical aid to non-associated developing countries.

On 23 October 1984 the President of the European Parliament referred this proposal to the Committee on Development and Cooperation as the committee responsible and to the Committee on Budgets for an opinion.

At its meeting of 16 October 1984, the Committee on Development and Cooperation appointed Mr GUERMEUR rapporteur.

The committee considered the Commission's proposal and the draft report at its meetings of 19 November 1984, 17 December 1984 and 18 December 1984.

At the last meeting the committee decided by 22 votes in favour with 1 abstention to recommend to Parliament that it approve the Commission's proposal without amendment.

The committee then adopted the motion for a resolution as a whole by 22 votes in favour with 1 abstention.

The following took part in the vote: Mrs Focke, chairman; Mr Bersani, vice-chairman; Mr de Courcy Ling, vice-chairman; Mr Guermeur, rapporteur; Mr Andrews, Mrs Barbarella (deputizing for Mr Pajetta), Mr Beyer de Ryke, Mrs Brookes (deputizing for Mr Jackson), Mrs Cinciari Rodano, Mr Cohen, Mrs Daly, Mrs De Backer-Van Ocken, Mr Hapsburg (deputizing for Mrs Rabbethge), Mr McGowan, Mrs Pery, Mr Pirkl, Mr Pitt (deputizing for Mrs Buchan), Mr Saby, Mrs Schmit, Mrs Simons, Mr Tomlinson (deputizing for Mr Balfe), Mr Verbeek and Mr Warzik.

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The opinion of the Committee on Budgets is attached.

The report was tabled on 20 December 1984.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Development and Cooperation hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a decision determining the general guidelines for 1985 concerning financial and technical aid to non-associated developing countries

The European Parliament,

- having regard to the proposal from the Commission to the Council¹,
 - having been consulted by the Council (Doc. 2-801/84),
 - having regard to the report of the Committee on Development and Cooperation and the opinion of the Committee on Budgets (Doc. 2-1334/84),
 - having regard to the result of the vote on the Commission's proposal,
- A. having regard to the seventh report from the Commission to the Council and the European Parliament on the implementation of financial and technical aid to non-associated developing countries (COM(84) 525 final),
 - B. having regard to its previous resolutions on financial and technical aid to non-associated developing countries,
1. Notes the proposal that the 1984 general guidelines be renewed for 1985;
 2. Stresses that, given the rejection of the 1985 draft budget, the programme must be implemented according to the 12ths system until the 1985 budget is adopted;
 3. Urges, in view of the real needs of the developing countries in Latin America and Asia, which are among the poorest, that aid under this programme continue to be increased in real terms in accordance with the wishes expressed in the past by the European Parliament;

¹ OJ No. C 278, 18.10.1984, p. 6

4. Reiterates its criticism of the decision-making procedures provided for in the framework regulation¹ on financial and technical aid to non-associated developing countries, whereby a committee composed of representatives of the Member States is empowered to decide on projects to be assisted under this programme;
5. Calls on the Commission to re-assume all the powers granted to it under the Treaties, to cease allowing the Council to take decisions on the financing of programmes and to submit to the Council a proposal for a new regulation deleting the provision concerning the setting up of a 'committee', contained in Article 11 of Regulation No. 442/81 of 17 February 1981. This can, obviously, no longer be considered following the rejection by the European Parliament of the Council's draft budget for 1985. It is to be hoped that the Commission will enter the appropriate commitments to cover this programme in its revised 1985 preliminary draft budget;
6. Points out that the additional aid for Central America pledged by the Commission of the European Communities at the San José Conference² should be provided under this programme, which has its approval; asks the Commission to propose adequate financial means for this purpose in its future budgetary initiatives;
7. Notes that normal implementation of the programme of supplementary aid for Central America has been jeopardized by the fact that the Council submitted a 1985 draft budget which the European Parliament could not accept; calls on the Commission to go ahead with the preparation of commitments which should be undertaken during this budgetary year;
8. Recognises the need to continue assistance to Angola and Mozambique under this programme until Community cooperation with those countries is implemented in the framework of the 3rd Lomé Convention;
9. Insists that, in aid to Asia and Latin America, particular regard be paid to the poorest sectors of the population, and that where food supply is a problem food strategies should be introduced in cooperation with the other major donors;
10. Stresses the importance of a continuous development of technical and financial cooperation with China;

¹ Council Regulation (EEC) No. 442/81 of 17.2.1981, OJ No. L 48, 21.2.1981, p. 8

² 28-29 September 1984

11. Notes with approval that the rate of utilization of appropriations under this programme improved substantially in 1983, particularly in regard to commitment appropriations;
12. Asks the Commission of the European Communities to assess the priorities for the aid requirements of non-associated developing countries, indicating the criteria to be followed in the choice of countries, programmes and projects, and to submit a report to the Committee on Development and Cooperation of the European Parliament by 30 June 1985;
13. Calls on the Committee on Development and Cooperation to carry out a thorough examination of this programme;
14. Emphasizes the importance of coordinating development policy in order to achieve maximum effectiveness; expects the Commission to ensure that programmes and projects are better coordinated with those of Member States, international agencies and non-governmental organizations, where appropriate;
15. Notes that while appropriations for this programme have increased from 20 m ECU in 1976 to some 235 m ECU in 1983, i.e. a twelve-fold expansion of the programme, the number of staff responsible for its administration has remained almost unchanged, and emphasizes that effective implementation of the programme would best be facilitated by
 - the provision of more technical assistance for the preparation and implementation of projects, particularly in the poorest countries with relatively weak administrative structures,
 - an increase in the number of Commission technical staff in the developing countries in Latin America and Asia,
 - the provision of additional staff to DG VIII for the administration of future programmes,
 - better coordination with other relevant donors;
16. Calls on its Committee on Development and Cooperation to carry out an overall examination of the implementation of the programmes since 1976 and an assessment of the results;
17. Approves, subject to the above comments, the Commission's proposal;
18. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENTI. Introduction

1. The programme of financial and technical aid to non-associated developing countries exists because of an initiative from the European Parliament and was kept operational in its early stages through budgetary amendments voted by Parliament.

2. A basic Regulation governing financial and technical aid to non-associated developing countries was adopted by Council on 17 February 1981. While the European Parliament was seriously dissatisfied with the decision-making provisions of this Regulation, which were subject to an unsatisfactory conciliation procedure, it agrees fully with the general guidelines concerning the granting of this aid, namely

- the aid shall be directed as a general rule towards the poorest developing countries (while aiming at a reasonable geographical balance),
- the aid shall be mainly directed towards the most needy sections of the populations of the countries concerned,
- special importance shall be attached to rural development and food production,
- participation in regional projects may be considered,
- part of the aid is to be earmarked for emergency circumstances, in particular projects to promote reconstruction following disasters.

The possibility exists for annual adjustments of these guidelines as needs arise. No such adjustments are proposed by the Commission for 1985.

II. The Commission's proposal

3. For 1985 the Commission has proposed that the guidelines for 1984 be renewed. This would meet with the approval of the Committee on Development and Cooperation. Three points should, however, be noted with regard to the operation of this programme in 1985 :

Firstly, at the San José Conference (28-29 September 1984) Commissioner Pisani made a statement pledging an increase in Community aid to Central America from 40m to 80m ECU per annum. He indicated that as from 1985 this aid would be increased to 60m ECU. This aid is to be in addition to the projects already being carried out in the Central American region. This statement was made after the proposal for a

Council decision determining the general guidelines for 1985 had been drawn up and no provision for this undertaking is made in the 1985 draft guidelines.

4. While it is evident that such additional operations can take place under the existing programme without involving modification, the Committee on Development and Cooperation nevertheless regrets that Parliament was not consulted before the San José statement, which has considerable budgetary implications.

5. It should furthermore be noted that the Committee on Development and Cooperation has tabled an amendment to the 1985 draft budget (draft amendment No. 273) to increase payment appropriations by 10m ECU and commitment appropriations by 20m ECU over the sum requested by the Commission in the Preliminary Draft Budget in order to enable the programme of additional aid to Central America to become operational in 1985.

6. The Committee expressed its approval of the principle of such aid in voting draft amendment No. 273, and hereby reiterates its approval.

7. The second noteworthy aspect of the 1985 programme concerns aid to Angola and Mozambique. While Lomé III should become operational in March 1985, its financial provisions will not come into effect until the ratification procedures have been completed. Thus there is little possibility of EDF assistance to Angola and Mozambique, in the likely eventuality that they sign the new Convention, being granted before the end of 1985. It is therefore important for the 1985 programme for non-associated developing countries to contain provisions whereby aid to Mozambique and Angola can continue pending the entry into force of Lomé III.

8. The third point of note concerns China. Following previous pressure from the European Parliament and the Commission, Council agreed to allocate 6m ECU under the non-associated developing countries programme to China, as an exceptional measure. The Committee feels that this is quite inadequate and takes the view that aid to China should become a regular part of this programme, including in 1985, with increased funding allocated thereto.

III. Implementation of the programme

9. The implementation of the programme of aid to non-associated developing countries has been frequently criticised in the past by the European Parliament. Document (84) 525 final, on the implementation of this programme, indicates that the utilisation of funds as far as commitment appropriations are concerned, was very satisfactory

during 1983. As can be seen from the table on page 18 of this document, at the end of 1983 all but 711,000 ECU of the 1982 programme, including all carry-overs from previous years, had been committed. Thus the commitment rate was at almost 100% within the two year limit fixed by the financial regulation. With regard to payments, the situation was obviously less satisfactory due to the multiannual nature of projects and the long time taken to put programmes into effect. Your rapporteur notes that projects in the poorest non-associated developing countries, where the need is greatest, frequently are the slowest to get underway because of local administrative weakness. This in turn leads to considerable delay in the disbursement of payment appropriations. Nevertheless, 10.9% of the 1983 programme had already been disbursed by the end of 1983. Thus the rate of utilisation of funds has improved considerably with regard to previous years.

IV. Conclusions

10. The European Parliament has repeatedly called for more staff to be made available within D.G. VIII for the administration of assistance to NADCs. It should be noted that, despite the exponential growth of the programme since its inception in 1976 (with appropriations of 20m ECU), the number of staff administering the programme has hardly increased. The Committee on Development and Cooperation believes that more staff should be made available, and calls on the Commission to examine actively the possibilities of transfer from other Commission services and directorates general.

11. It is also important to increase the number of Commission technical staff in the non-associated developing countries. Assistance with the preparation and implementation of projects is particularly important in the case of the poorest and administratively weakest developing countries and an augmentation in the number of technical staff in the field would certainly enhance the efficacy of this programme.

12. It is of great importance that assistance to non-associated developing countries, as to all other countries, be properly coordinated. Otherwise waste and duplication can occur, and the effects of one project can adversely affect another. Full coordination is necessary with the Community Member States, but also with international organisations such as the World Bank, the UNDP, the FAO and UNESCO, as well as with NGOs involved in development. Coordination is necessary at all stages - coordination of diagnosis, of programmes, of the implementation

of programmes in the field, of the choice and use of consultants, of the use of manpower. The Commission could play a vital role as coordinator. Staff shortages at present inhibit this work, but nevertheless much more must be done without delay to coordinate aid.

13. The Committee on Development and Cooperation requests the Commission of the European Communities to draw up a diagnosis report ("rapport de diagnostics"), in coordination with other countries, on the needs of non-associated developing countries, indicating how the criteria are to be applied in the choice of projects. Thus the Committee would have a basis for judging the suitability of projects to be assisted.

14. Your rapporteur feels strongly that if the European Parliament is to give annual approval to this programme, it must be fully convinced of its real value. For this reason the Committee must repeat, with the strongest emphasis, its demand that a detailed evaluation of the results of the programme to date on the recipient countries be undertaken. In its report on implementation the Commission did attempt to give a brief evaluation of the effects of the programme so far. This is quite inadequate, though the limitations imposed by staff shortages must be recognised.

15. In addition your rapporteur proposes that the Committee on Development and Cooperation carry out, through an own-initiative report, a detailed examination of the operation of the programme, both in countries where assisted projects are managed by the recipient government, and in countries where the entire management is assured by representatives of the European Community. This, in conjunction with the evaluation already called for, would allow more realistic assessment of the programme so far.

16. In conclusion, the Committee approves the draft Council decision determining the general guidelines for 1985.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Mrs FOCKE, chairman of the Committee on Development and Cooperation

Brussels, 11 December 1984

Subject: Opinion of the Committee on Budgets on the proposal for a decision determining the general guidelines for 1985 concerning financial and technical aid to non-associated developing countries (Doc. 2-801/84 - COM(84) 526 final)

Dear Madam Chairman,

At its meeting of 27 November 1984, the Committee on Budgets considered the abovementioned proposal for a decision. Since the general guidelines proposed by the Commission for 1985 are identical to those adopted for 1984 and do not have any particular financial implications, the Committee on Budgets took the view that this proposal did not call for any comments on its part.

Yours sincerely,

J. P. COT

Present: Mr Cot, chairman; Mr Ryan, Mr Curry and Mrs Barbarella, vice-chairmen; Mr Arndt, Mr Brok (deputizing for Mr Bardong), Sir Fred Catherwood, Mr Cornelissen, Mr Di Bartolomei, Mr d'Ormesson, Mr Elles, Mr Fich, Mrs Fullet, Mr Langes, Mr Louwes, Mr Motchane (deputizing for Mr Dankert), Mrs Nielsen (deputizing for Mr Rossi), Mr Pasty, Mr Pfennig, Mr Price (deputizing for Mr Normanton), Mrs Scrivener, Mr Schön and Mr Schreiber (deputizing for Mrs Hoff).