

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 18 final.

Brussels, 22 February 1978

Amendments to the
Proposal for a
COUNCIL REGULATION (EEC)

on the application of the provisions of Protocol No 1 to the
Cooperation Agreements concluded with
Algeria, Morocco and Tunisia

(submitted to the Council by the Commission
pursuant to the second paragraph of Article
149 of the EEC Treaty)

COM(78) 18 final.



EXPLANATORY MEMORANDUM

Protocol No 1 to the Cooperation Agreements signed with Algeria, Tunisia, Morocco, Egypt, Lebanon, Jordan and Syria and the Financial Protocols with Malta and Cyprus provide for financial and technical cooperation between the Community and those countries.

The Commission has already presented to the Council a proposal for a regulation laying down the rules to be applied within the Community for the implementation of the Cooperation Agreements concluded with Algeria, Tunisia and Morocco (COM(77) 68 final) and of the Financial Protocol concluded with Malta (COM(77) 134 final).

In order that the Financial Protocols concluded with the Maghreb and Mashreq countries and with Malta and Cyprus may be implemented by means of a single regulation, it is necessary to amend the Commission's proposal on the application of the provisions of Protocol No 1 to the Cooperation Agreements concluded with Algeria, Morocco and Tunisia by extending it to cover Egypt, Lebanon, Jordan, Syria, Malta and Cyprus, given that the agreements with all these countries are of the same type as those concluded with the Maghreb countries.

This extension of the proposal corresponds to the wishes expressed by the European Parliament and the Member States.

In this proposal the Commission also takes into account the amendments put forward by the European Parliament at its session of 4 to 8 July 1977, as well as the wishes expressed during the debate.



Amendments to the Proposal for a

COUNCIL REGULATION (EEC)

on the application of Protocol No 1 to the Cooperation Agreements
concluded with Algeria, Morocco and Tunisia

1. The title of the above proposal for a regulation is amended to read as follows:

"on the application of Protocol No 1 to the Cooperation Agreements concluded with Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan and Syria and of the Financial Protocols concluded with Malta and Cyprus".

2. The first recital is amended to read as follows:

"Whereas the Cooperation Agreements with Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan and Syria, hereinafter called the 'Agreements', and the Financial Protocols which form an integral part of the Agreements with Malta and Cyprus, hereinafter called the 'Protocols', fixed the amount of Community aid to those countries at 114 million, 130 million, 95 million, 170 million, 30 million, 40 million, 60 million, 26 million and 30 million units of account respectively, comprising 152 million units of account in the form of loans on special terms, 175 million units of account in the form of grants and 368 million units of account in the form of loans accorded by the EIB from its own resources".

3. Article 1 is amended to read as follows:

"1. When the arrangements for aid to Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan and Syria are put into operation, the Commission shall be responsible for implementing the aid policy defined by the Council and the general guidelines for financial and technical cooperation defined by the Cooperation Councils pursuant to Article 5 of the Agreements and Articles 9 and 16 of Protocol No 1 thereto."

2. When the aid to Malta and Cyprus is put into operation by the Association Councils set up by the Association Agreements, the Commission shall be responsible for implementing the aid policy defined by the Council and the general guidelines for financial and technical cooperation defined pursuant to Article 21 of the Protocol laying down certain provisions relating to the Agreement establishing an association between the European Economic Community and Malta, to Article 13 of the Additional Protocol to the Agreement establishing an association between the European Economic Community and Cyprus and to Articles 9 and 16 of the Financial Protocols."

4. Article 2(2) is amended to read as follows:

"(a) The Commission shall itself administer, with regard to Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan and Syria, the special loans for rural development and social infrastructure, and the grants for technical assistance programmes or schemes in whatever sector. A general mandate shall be given to the Bank by the Commission on behalf of the Community, to administer the interest rate subsidies for loans from its own resources, the special loans and the risk capital operations in the industrial, energy, mining, tourism and economic infrastructure sectors.

(b) The Commission shall itself administer, with regard to Malta and Cyprus, grants for technical assistance programmes or schemes.

A general mandate shall be given to the Bank by the Commission on behalf of the Community, to administer the interest rate subsidies for loans from its own resources, the special loans and the capital risk operations."

5. Article 2(4) is deleted.

6. Article 3 is amended to read as follows:

"The unit of account used for applying this Regulation shall be that defined in the Declaration of the European Economic Community on Article 2 of the Financial Protocols included in the Final Act signed at the same time as the Protocols."

7. The first paragraph of Article 4 is amended as follows:

"The Commission shall provide the Member States each year with information obtained from Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan, Syria, Malta and Cyprus, as regards the content and prospects of their development plans, the objectives they have set themselves and projects already identified which are likely to attain these objectives."

8. The following is added after Tunisia to Article 4(4): "Egypt, Lebanon, Jordan, Syria, Malta and Cyprus".

9. Article 5 is amended to read as follows:

"The Community's position within the Cooperation Councils shall be adopted by the Council on a proposal from the Commission drawn up in close cooperation with the Bank. In the event of disagreement, the Bank shall state its position in the Council."

10. Article 6 (2) is amended to read as follows :

" The Council acting unanimously on the proposal of the Commission shall adopt the Rules of Procedure of the Article 6 Committee."

11. Article 7(2) is amended to read as follows:

"The draft financing proposals for these projects shall explain the relevance of the projects to the development prospects of the country or countries concerned; where appropriate, they shall mention the use to which such countries have put previous Community aid.

They shall include in particular measures promoting, in accordance with Article 12 of Protocol No 1 to the Agreements and with Article 12 of the Financial Protocols with Malta and Cyprus, participation by national firms of Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan, Syria, Malta and Cyprus in carrying out the projects."

12. The footnote to Articles 6 and 9 is deleted.

13. The second paragraph of Article 8 is amended to read as follows:

"The Commission shall adopt decisions which shall apply immediately. However, if the Committee has not delivered a favourable opinion, these decisions shall forthwith be communicated by the Commission to the Council. In that event the Commission shall defer application of the decisions which it has adopted for not more than two months from the date of such communications.

The Council, acting by qualified majority, may take a different decision within two months."

14. The footnote to Article 10 is deleted.

15. " The Council shall take its decisions by a qualified majority. However, in the event of an unfavourable opinion of the Commission, it shall act unanimously."

16. Article 11 (1) is amended to read as follows :

" The Commission shall ascertain how the Community aid is used by Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan, Syria, Malta and Cyprus, or by any other recipients."

17. Article 11 (4) is amended to read as follows :

" The Commission shall inform the Council and the European Parliament, at their request and at least once a year, of its findings pursuant to paragraphs 1, 2 and 3."