II

(Preparatory Acts)

COMMISSION

Amended Proposal for a Council Regulation (EEC) on financial and technical assistance to and economic cooperation with the developing countries in Asia and Latin America [1]

(91/C 284/05)

COM(91) 364 final

(Submitted by the Commission pursuant to Article 149 (3) of the EEC Treaty on 9 October 1991)

[1] OJ No C 119, 4. 5. 1991, p. 6.

ORIGINAL PROPOSAL	AMENDED PROPOSAL (Where no alternative version is given in this column, the text is unchanged)
THE COUNCIL OF THE EUROPEAN COMMUNITIES,	
Having regard to the Treaty establishing the European Community, and in particular Article 235 thereof,	
Having regard to the proposals from the Commission,	
Having regard to the opinion of the European Parliament,	
Whereas, since 1976, the Community has been pursuing a policy of financial and technical cooperation with the developing countries in Asia and Latin America and has, in more recent times, also embarked on economic cooperation with those countries; whereas these forms of cooperation are part of an overall policy of cooperation with the developing countries as a whole which includes expansion of their trade by integration into the multilateral trade system, by appropriate measures to be taken within the relevant international organizations and by specific measures such as the Community system of generalized preferences;	
Whereas the current process of European construction and the growing influence of the Community worldwide justify the continuation of mutually advantageous economic cooperation with, and Community development aid to, the developing countries in Asia and Latin America, the extension of such policies to other countries or economic sectors, increased financing for such policies and efforts to ensure that they are better adapted to national and local needs within each region;	

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Whereas the European Council has on a number of occasions confirmed the Community's political will to reinforce its cooperation with regions of the world where the level of development is still insufficient and to do so via an increased, coordinated and multi-faceted effort on the part of the Community and its Member States;	
Whereas the European Parliament has examined the matter in detail on a number of occasions and has called for such reinforced cooperation and for a revision of present legislation in order to ensure greater efficiency and increased transparency;	Whereas the European Parliament has examined the matter in detail on a number of occasions and has called for such reinforced cooperation and for a revision of present legislation in order to ensure greater efficiency and increased transparency and has called for the implementation of a genuine cooperation strategy based on multiannual programmes meeting the specific needs of these two regions of the world, providing a range of measures suited to the different situations of the groupings of countries in these continents and endowed with adequate financial resources;
	Whereas there is a need to ensure that the budgetary authority is informed as to coordination between the projects' planning and their financial implications and as to the transparency of co-financing with Member States or other donors;
Whereas the Council has adopted conclusions supporting the Commission's suggested long-term guidelines for such cooperation with regard to the priorities and sectors for consideration and the desirability of increasing the resources to be allocated to them and of enabling indicative medium-term programming for those resources to be undertaken;	
Whereas both the Council and European Parliament, while confirming traditional fields of action, have identified new priorities relating, in particular, to the environment, the human dimension of development and the need for economic cooperation to take place in the mutual interest of the Community and its partner countries;	
Whereas the rules governing the administration of financial and technical assistance to, and economic cooperation with, the Asian and Latin American developing countries should be established;	
Whereas it is therefore necessary to repeal Council Regulation (EEC) No 442/81 of 17 February 1981 on financial and technical aid to non-associated developing countries (1), and to replace it with this Regulation;	

(1) OJ No L 48, 21. 2. 1981, p. 8.

ORIGINAL PROPOSAL	AMENDED PROPOSAL
Whereas the Treaty does not provide specific powers of action for the adoption of this Regulation other than those contained in Article 235,	
HAS ADOPTED THIS REGULATION:	
Article 1	*Article 1*
The Community shall continue and broaden Community cooperation with the developing countries in Asia and Latin America, not being signatories to the Lomé Convention and not benefiting from the Community's policy of cooperation with the Mediterranean region, hereinafter referred to as 'ALA developing countries'. This cooperation shall involve financial and technical development assistance and economic cooperation. In this connection the Community attaches the utmost importance to promoting human rights, freedom of trade and of cultural exchanges and environmental protection, by means of an increasing dialogue on political, economic and social issues within a perspective of mutual interest.	The Community shall continue and broaden Community cooperation with the developing countries in Asia and Latin America, not being signatories to the Lomé Convention and not benefiting from the Community's policy of cooperation with the Mediterranean region, hereinafter referred to as 'ALA developing countries'. This cooperation shall involve financial and technical development assistance and economic cooperation. In this connection the Community attaches the utmost importance to promoting and defending human rights, including the cultural and ethnic dimensions thereof, supporting democratic processes — particularly as regards equal treatment for women — and to freedom of trade and of cultural exchanges and environmental protection, by means of an increase in dialogue on political, economic and social issues within the perspective of promoting mutual, sustainable development.
	However, in cases of activities the direct beneficiaries of which are sectors of the population faced with major problems of development, the only condition to which aid shall be made subject shall be a guarantee that it is channelled effectively and without interference to those groups for whom it is intended.
Article 2	*Article 2*
All the ALA developing countries shall be eligible for financial and technical assistance and economic cooperation.	
The recipients of aid and partners in cooperation can include not only States and regions but decentralized authorities, public agencies, local or traditional communities, private institutes and operators, including cooperatives and non-governmental organizations.	The recipients of aid and/or partners in cooperation can include not only States and regions but decentralized authorities, public organizations, regional organizations, local or traditional communities, private institutes and operators, private economic entities, including cooperatives, undertakings in the 'économie sociale' sector, associations and foundations with a properly defined objective and non-governmental organizations.

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Financial and technical assistance

Article 3

The principle aim of financial and technical assistance shall be to improve the living standards of the neediest sections of the population and to implement measures in areas where domestic resources are hard to mobilize but which are of strategic importance either for the development of the countries concerned or for the international community as a whole.

It shall be targeted primarily on the poorest ALA developing countries.

Article 4

Financial and technical assistance shall give priority to developing the rural sector and improving the level of food security.

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Financial and technical assistance

Article 3

The principal aim of financial and technical assistance shall be to improve the living standards of the neediest sections of the population — especially women — by implementing programmes and projects in all sectors in which Community aid can make a decisive contribution; in particular measures may be implemented in areas where economic and human resources are hard to mobilize but which are of strategic importance either for the development of the countries concerned or for the international community as a whole.

Article 4

Financial and technical assistance may be channelled primarily and in duly justified cases to the ALA developing countries in which rural development and improvements to food security are hampered by inadequate general infrastructure.

Consideration shall be given to the problems in this sector faced by small country towns.

Article 4a

(new)

The environment and natural resources shall constitute a new priority of financial and technical cooperation.

A percentage of total resources allocated to financial and technical cooperation shall be reserved for specific projects to protect the environment. This reserve may be increased under the annual budget procedure and shall be used to finance programmes and projects designed, *inter alia*, to:

— increase awareness, train staff and technicians and make general improvements to infrastructure in the ALA developing countries,

— carry out feasibility studies and pilot projects.

Article 4b

(new)

The human dimension of development shall be taken into account in all areas of intervention.

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Among the most disadvantaged groups, particular consideration shall be given to women and programmes and projects shall be adopted to develop their role in boosting development, especially in the rural sectors of production and grassroots organizations. Such projects or programmes must serve to increase the active involvement of women on terms of equality, not only in the processes of production but also in social activities and decision-making.

Aid may be channelled to the various indigenous ethnic groups through measures to encourage the preservation of their culture and social organization.

Aid may take into account demographic problems and financial and human resources may be allocated to proposed measures which have the support of grassroots communities.

This may include information on family planning, for instance, as part of health information or educational activities.

Community aid may be granted for improvements to living conditions in big cities in the form of measures involving:

— the transfer of specialized technical skills to solve problems of urban infrastructure in general and those of housing, health and transport in particular,

— the implementation of projects in the non-governmental sector.

Article 4c

(new)

The cultural dimension of development must be constantly borne in mind in all activities and programmes in which the Community is involved.

Article 4d

(new)

The structural dimension of development is a priority which financial and technical cooperation shall take into account so as to overcome the major financial and technical barriers and the social consequences endured by many ALA developing countries as a result of stringent structural adjustment policies.

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Certain measures of a structural character may be developed in an entire sector, region of a country or group of countries with the aim of promoting sustainable development. In such cases, coordination may take place with other international financial institutions and bilateral donors.

Article 4e

(new)

Part of the aid may be used for rehabilitation and reconstruction following disasters of all kinds and for preventive measures.

Article 4f

(new)

Financial and technical assistance may be granted to ALA developing countries to draw up anti-drug programmes which include preventive measures or crop-conversion projects.

Article 4g

(new)

Regional cooperation among developing countries shall be considered an important area for financial and technical cooperation, particularly in the following fields:

— cooperation on the environment,

— the development of intra-regional trade,

— the strengthening of regional institutions,

— support for integration and the establishment of joint policies and activities among developing countries,

— communications, particularly as regards standards, networks and services, including telecommunications,

— research and training connected with development,

— cooperation in the sphere of energy,

— cultural cooperation.

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	Article 4b (new) In order to improve efficiency in all areas of intervention governed by this regulation, coordination shall be improved with bilateral aid from Member States and other international donors, whether States or financial institutions.
Article 5 Financial and technical assistance may be extended to the relatively more advanced countries of Asia and Latin America in specific fields or in cases where Community action is taken in response to disasters or implements new operations or policies which are essential at regional or international level in the following sectors:	*Article 5*
— drugs,	
— the environment and natural resources,	
— the strengthening of institutions,	
— pilot schemes to help particularly under-privileged sections of the population,	
	— cultural support measures,
	— public health,
— regional cooperation.	
Economic cooperation *Article 6* Economic cooperation shall contribute to the development of the ALA developing countries by helping them make the most of the prospects opened up by the growth of international trade and by the European single market, and by enhancing the role of European businessmen, technology and know-how.	**Economic cooperation** *Article 6* Economic cooperation shall contribute to the sustainable development of the ALA developing countries by helping them make the most of their economic, scientific and human potential and of the prospects opened up by the growth of international trade and by the European single market, and by enhancing the role of European businessmen, technology and know-how.
Economic cooperation shall be aimed in particular to supporting countries pursuing macroeconomic and sectoral policies open to trade and investment and conducive to technology transfers, notably by ensuring the protection of industrial and intellectual property rights.	
	The implementation of economic cooperation measures shall also be ensured via the credit facilities administered by the EIB.

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Article 7	*Article 7*
Economic cooperation shall include three sectors:	
1. Improvement of scientific and technological potential and of the economic, social and cultural environment in general by means of training schemes and the transfer of know-how. It shall be directed chiefly at executives, economic decision-makers and instructors, and shall cover all economic, scientific and technical fields and, in particular energy, industrial and urban ecology and services technology.	
	1. Encouragement shall be given to associations of research centres and institutes from both sides, and account shall be taken of their ability to acquire modern technology and know-how, rapidly and to spread this in the recipient country. Programmes may also be directed at administrative staff, those in charge of finance and instructors.
2. Improvement of the institutional structure, in order to render the legislative, administrative and social climate more conducive to development.	2. Improvement of the institutional structure, in order to render the legislative, economic, administrative and social climate more conducive to development.
3. Support for undertakings, for example by means of training and technical assistance schemes, by the establishment of direct contacts between undertakings and by schemes to facilitate access to bigger markets without prejudice to the specific provisions on joint ventures laid down by Council Regulation (EEC) No . . .	3. Support for undertakings, for example by means of sales promotion and training and technical assistance schemes, by the establishment of direct contacts between undertakings and by schemes to facilitate access to bigger markets without prejudice to the specific provisions on joint ventures laid down by Council Regulation (EEC) No . . . [on EC 11P].
Regional cooperation must be regarded as an important sector for economic cooperation, in particular:	Regional cooperation must be regarded as an important sector for economic cooperation, in particular:
— cooperation on industrial and urban ecology,	— cooperation on industrial and urban ecology,
— intra-regional trade,	— intra-regional trade, including especially, support for the endeavours of certain countries at mutual economic cooperation,
— regional institutions for economic integration,	— regional institutions for economic integration,

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— regional policies,	— regional policies,
— communications, including telecommunications,	— communications, including telecommunications,
— research and training,	— research and training,
— cooperation in the sphere of energy.	— cooperation in the sphere of energy,
	— industrial cooperation,
	— cooperation on cultural exchanges.
Implementing procedures	**Implementing procedures**
Article 8	*Article 8*
Financial and technical assistance and economic cooperation shall be provided mainly in the form of grants and shall draw on the financial resources fixed by the general budget of the European Communities. Co-financing with the Member States or other donors shall be sought through greater coordination. The Community nature of the aid must, however, be maintained as far as possible.	Financial and technical assistance and economic cooperation shall be provided mainly in the form of grants and shall draw on the financial resources fixed by the general budget of the European Communities. Co-financing with the Member States or other donors, whether States or international financial organizations, shall be sought through greater coordination. The Community nature of the aid must, however, be maintained as far as possible.
	Wherever possible, given the existence of multiannual forecasting for Community cooperation with ALA developing countries, multiannual programming shall be introduced with regard to objectives, countries and, where appropriate, regions.
Article 9	
1. Financial and technical assistance may cover all the expenditure on imports and local expenditure required to carry out projects and programmes.	
Maintenance and operating expenses for economic cooperation operations, training and research programmes and for development projects and programmes may be covered subject to the proviso that in the case of the latter such expenses may be covered only at the launching stage and in decreasing amounts.	
2. Systematic efforts must be made to seek financial contributions from partners (countries, local communities, undertakings, individual recipients) within the limits of their possibilities and according to the nature of each operation. Taxes and duties and the purchase price of land shall be excluded from Community financing.	

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3. Study costs and the short- and long-term use of experts to assist the recipients and the Commission in devising general policies, identifying and preparing operations, and monitoring and evaluating them shall normally be covered by Community resources, either as part of the financing for individual operations or separately.	
Article 10	
Participation in invitations to tender and purchasing and other contracts shall be open on equal terms to all natural or legal persons of the Member States.	
With regard to financial and technical assistance, such participation shall usually be extended to the recipient State and may also be extended, case by case, to other developing countries.	
In exceptional cases which are duly justified, other countries of origin may be allowed for specific components.	
Article 11	
1. Aid projects and programmes for which Community funding exceeds ECU 2 million and also any substantial modifications and necessary overruns of more than 20 % of the amount initially agreed for these operations shall be adopted according to the procedure laid down in Article 12 (2).	
2. The procedure laid down in Article 12 (3) shall be followed, if need be, for the adoption of acts required to establish:	
— coordination between Community cooperation schemes and bilateral schemes that may be undertaken by the Member States,	
— the indicative multiannual guidelines that apply to the main partner countries,	
— the areas of cooperation according to subject or sector.	

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Article 12	*Article 12*
1. The Commission shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.	1. The Commission shall be responsible for managing the aid and implementing the appropriations agreed by the budgetary authority. It shall be assisted by a committee composed of the representatives of the Member States and chaired by the representative of the Commission.
2. The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148 (2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the committee shall be weighted in the manner set out in that Article. The chairman shall not vote.	
The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the opinion of the committee, they shall be communicated by the Commission to the Council forthwith. In that event, the Commission defer application of the measures which it has decided for a period of one month.	
The Council, acting by a qualified majority, may take a different decision within the time limit referred to in the second subparagraph.	
3. The representative of the Commission shall submit to the committee a draft of the measures to be taken. The committee shall deliver its opinion on the draft within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.	
The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.	
The Commission shall take the utmost account of the opinion delivered by the committee. It shall inform the committee of the manner in which its opinion has been taken into account.	

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Article 13	*Article 13*
The Commission shall submit to the Council and the European Parliament an annual report on the implementation of this Regulation, setting out the results achieved and presenting the projects and programmes financed during the year.	The Commission shall submit to the Council and the European Parliament an annual report on the implementation of this Regulation, setting out the results of the implementation of the budget as regards commitment and payment appropriations and presenting the projects and programmes financed during the year.
In addition, a comprehensive report giving the results of the regular evaluation undertaken shall be presented at the end of each five-year period.	In addition, a comprehensive report giving the results of the regular evaluation undertaken shall be presented to the Council and Parliament at the end of each five-year period in order not only to assess implementation but also to decide whether to maintain or modify the guidelines applicable to this aid.
Article 14	
Regulation (EEC) No 442/81 is hereby repealed.	
Any reference to that Regulation shall be deemed to be a reference to this Regulation.	
Article 15	
This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities.*	
This Regulation shall be binding in its entirety and directly applicable in all Member States.	