

Development cooperation: decentralised cooperation, 2004-2006

2003/0156(COD) - 11/07/2003 - Legislative proposal

PURPOSE : to extend and amend Council Regulation 1659/98/EC on decentralised Cooperation.

CONTENT : Council Regulation 1659/98/EC on decentralised cooperation was applicable until 31 December 2001. This Regulation was amended and extended by Regulation 955/2002/EC of the European Parliament and of the Council until December 2003. On 7 November 2002, in line with and in addition to the principles enshrined in those texts, the Commission adopted the Communication on the Participation of Non-State Actors in EC Development Policy COM (2002) 598 final, refer to INI/2002/2283). In the context of a policy geared to the objective of poverty reduction, the Communication clarified what is expected of non-state actor organisations in partner countries. The aim of non-state actor involvement is to create conditions for greater equity, for the inclusion of the poor in the benefits of growth and for strengthening the democratic fabric of society. In parallel, the Commission ordered an evaluation of the budget instrument on decentralised co-operation (B7-6002, refer to COD/2001/0243) which was completed in March 2003. This evaluation shows that the budget heading is still important as a complementary instrument recommending better geographical and thematic targeting for the eligible actions, further involvement of decentralised actors from developing countries and further diversification of decentralised non-state actors. The evaluation concluded that the Budget Line should still be maintained as a necessary complement to the different instruments of cooperation. Its main recommendations aim at increasing the Budget Line coherence and at clarifying its specific character. Regulation 1659/98/EC should be amended and extended until 31 December 2006 following the completion of the evaluation and the adoption of the Commission Communication on the Participation of non-State actors in EC development policy. The financial framework and reference period indicated should be adjusted. This proposal aims to do such that. **FINANCIAL IMPLICATIONS** : as stated, the financial reference amount will have to be adjusted. In the current regulation, the figure was EUR 24 million. This proposal specifies a reference amount of EUR 18 million for the period of 2004 - 2006. This amount is being justified on the grounds of the strategic approach to provide a balanced and equitable support for decentralised co-operation where the traditional instruments of co-operation do not exist or are not relevant. That amount has been calculated on the one hand on the committed credits performed from 1998 to 2003 (EUR 25,4 million) giving an average rate per year of EUR 4,2 million and on the other hand on an amount of EUR 6million committed in 2003 and a EUR 5 million anticipated for 2004. However, it should be pointed out that financing needs observed in recent years have far exceeded the sums provided by the budget authority and that the quality of requests has improved appreciably.