# EU/Industrialised non-member country relations: bilateral cooperation and trade relations, extension to the 31 December 2007 and budgetary provisions

2004/0288(CNS) - 28/12/2004 - Legislative proposal

PURPOSE: Amendment of Regulation 382/2001/EC on bilateral cooperation activities as regards it expiry date and certain provisions related to the execution of the Budget.

PROPOSED ACT: Council Regulation.

CONTENT: The Union has consistently attached high importance to developing close political, economic and trade relations with the industrialised countries of North America, the Far East and Australasia. In order to further reinforce relations with these countries, it is important for the Community to have at its disposal an instrument enabling it to implement bilateral cooperation activities. Council Regulation 382 /2001provides the legal basis for this type of activity. This instrument provides a framework for Community interventions aimed at:

- promoting cooperation in support to the objectives laid down in the various bilateral instruments between the European Union and the partner countries, in order to create a more favourable environment for the conduct and further development of the relations between the European Union and the partner countries and to ensure that the EU, its institutions and its policies are better known among the general public and opinion leaders in these countries;

- building stronger economic, commercial and financial links by assisting EU industry in its efforts to get better access to the markets of these countries, in particular those where structural impediments make it hard for EU companies to consolidate their presence (Japan and Korea).

The main purpose of this proposal for amending the 2001 Regulation is to extend in time its period of validity so that it forms a bridge with the new legal instruments in the field of external relations which are expected to enter into force at the beginning of 2007, at the same time as the new Financial Perspectives (2007-2013).

In its Communications of 10 February and of 14 July 2004, the Commission indicated that, for the period of the new Financial Perspectives, the large number of legal instruments currently existing in the field of External Relation will be consolidated into a much more limited (6) number of instruments. The type of activities currently carried out with industrialised countries in the framework of Council Regulation 382 /2001 will therefore no longer be covered by a stand alone Regulation, but, will be covered by one of the new instruments.

In order to ensure continuity between the existing Regulation - which expires at the end of 2005 - and the future instruments - which are expected to enter into force in 2007- the most appropriate solution consists in extending, in almost identical terms, the existing Regulation for an adequate period of time.

In order to avoid any gap between the two bases it is proposed to extend the current Regulation for 2 years (until end 2007). In any event, when entering into force, the new instrument will repeal the extended Regulation.

On 25June 2002, the Council adopted a new Financial Regulation applicable to the general budget of the European Communitiesthat entered into force on 1 January 2003. Some provisions set out in the Financial Regulation are applicable contingent upon being specifically referred to in the basic act. This concerns in particular Article 114 (award of grants to natural persons) and Article 76.3 (possibility of breaking down budgetary commitments) of the new Financial Regulation.

Participants in the ETP Japan and Korea programmes at present receive monthly an accommodation and subsistence allowance which, in order to comply with the Financial Regulation is assimilated to a training scholarship. Similar circumstances can occur in the framework of education co-operation projects, such as the EU/Australia pilot projects in the field of higher education (mobility scholarships for students) or the EU Centre. It is important to note –bearing in mind the objective of effective management of programmes and projects- that a number of financial provisions set out in the Financial Regulation are waived in the case of grants and scholarships to natural persons, hence the need to refer to this possibility in the basic act.

It is therefore proposed to take advantage of the time extension of the Council Regulation 382/2001 in order to bring it in line with the provisions introduced in the new Financial Regulation.

The objectives and the substance of the original Regulation are left unchanged by the proposed modifications.