Basic information

2005/0806(CNS) CNS - Consultation procedure Regulation	Procedure completed
Community external assistance: rules for the access to external assistance instruments, for the eligibility and the origin **Subject** 6.30 Development cooperation 6.30.01 Generalised scheme of tariff preferences (GSP), rules of origin	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
DEVE Development	GAHLER Michael (PPE-DE)	06/06/2005

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	The committee decided not to give an opinion.	
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2690	2005-11-21
General Affairs	2674	2005-07-18

European Commission

Commission DG	Commissioner
Development	MICHEL Louis

Key events

Date	Event	Reference	Summary
17/05/2005	Legislative proposal published	08977/2005	Summary

07/06/2005	Committee referral announced in Parliament		
13/07/2005	Vote in committee		
18/07/2005	Committee report tabled for plenary, 1st reading/single reading	A6-0239/2005	
06/09/2005	Decision by Parliament	T6-0318/2005	Summary
06/09/2005	Results of vote in Parliament		
21/11/2005	Act adopted by Council after consultation of Parliament		
21/11/2005	End of procedure in Parliament		
27/12/2005	Final act published in Official Journal		

Technical information

Procedure reference	2005/0806(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 181A-p2
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/6/28498

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A6-0239/2005	18/07/2005	
Text adopted by Parliament, 1st reading/single reading		T6-0318/2005 OJ C 193 17.08.2006, p. 0026-0070 E	06/09/2005	Summary

Council of the EU

Document type	Reference	Date	Summary
Legislative proposal	08977/2005	17/05/2005	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2005)4139	20/10/2005	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Regulation 2005/2112 OJ L 344 27.12.2005, p. 0023-0033 Summary

Community external assistance: rules for the access to external assistance instruments, for the eligibility and the origin

2005/0806(CNS) - 21/11/2005 - Final act

PURPOSE: to establish the rules for access to Community external assistance instruments.

LEGISLATIVE ACT: Council Regulation 2112/2005/EC on access to Community external assistance.

BACKGROUND: the practice of tying the granting of aid, directly or indirectly, to the purchase of goods and services procured by means of that aid in the donor country reduces its effectiveness and is not coherent with a pro-poor development policy.

The **untying** of aid is not an aim in itself, but should be used as a tool to cross-fertilise other elements in the fight against poverty, such as ownership, regional integration and capacity building, with a focus on empowering local and regional suppliers of goods and services in developing countries.

This Regulation responds to this objective by setting out the modalities for the untying of external aid based on the principles provided by the Commission in its Communication entitled 'Untying: Enhancing the effectiveness of aid' as well as European Parliament recommendations on the same issue (see INI/2002/2284).

The same principles of untying aid are dealt with in a parallel text, which aims to apply the principle of untying of aid to the main Community instruments for external assistance (thematic or geographical). (See Regulation 2110/2005/EC of the European Parliament and of the Council on access to Community external assistance in procedure reference COD/2004/0099). The present Regulation complements and strengthens the measures provided in the parallel regulation.

CONTENT: this Regulation lays down the rules for access by interested parties to Community external assistance instruments financed by the general budget of the EU, as listed in Annex I of the Regulation. It follows the recommendation, adopted in March 2001, of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) on untying official development assistance to the Least Developed Countries. This recommendation was adopted by Member States and the Commission. The Regulation states that the practice of tying the granting of aid to the purchase of goods and services procured by means of that aid in the donor country reduces its effectiveness and is not coherent with a pro-poor development policy. The untying of aid is not an aim in itself, but should be used as a tool to cross-fertilise other elements in the fight against poverty, such as ownership, regional integration and capacity building, with a focus on empowering local and regional suppliers of goods and services in developing countries. On 4 September 2003, the European Parliament adopted a resolution in which it noted the need to further untie Community aid.

Accordingly, this Regulation addresses several elements in order to define access to Community external assistance.

These include the following:

- rules of eligibility governing access by persons;
- rules governing the hiring of experts and the origin of supplies and materials;
- arrangements for the implementation of reciprocity;
- provisions concerning operations financed through an international organisation; and
- provisions concerning humanitarian aid and NGOs.

The following points should be noted:

- in order to accelerate the eradication of poverty through the promotion of local capacities, markets and purchases, special consideration shall be given to local and regional procurement in partner countries;
- tenderers who have been awarded contracts shall respect internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour;
- a recital states that, when awarding tenders under a Community instrument, special consideration will be given to respect for the following internationally agreed environmental conventions: the Convention on Biological Diversity of 1992, the Cartagena Protocol on Biosafety of 2000 and the Kyoto Protocol to the United Nations Framework Convention on Climate Change of 1997.

ENTRY INTO FORCE: 28/12/2005.

Community external assistance: rules for the access to external assistance instruments, for the eligibility and the origin

2005/0806(CNS) - 18/07/2005

The Council reached political agreement on the proposed Regulation, which will amend an existing instrument on EU external assistance. It will be adopted without debate.

The Regulation seeks to enhance the effectiveness of aid and to reduce the transaction costs linked to the implementation of the Community's external assistance. It establishes rules for access of interested parties to Community external assistance instruments financed by the EU budget.

A further objective of the Regulation is to apply the EU's commitment to the untying of aid, in order to increase its effectiveness. The practice of tying aid involves linking the granting of aid to the purchase of goods and services in the donor country.

Community external assistance: rules for the access to external assistance instruments, for the eligibility and the origin

2005/0806(CNS) - 06/09/2005 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Michael **GAHLER** (EPP-ED, DE) and made some amendments to the Commission's proposal:

-the untying of aid should have a focus on empowering local and regional suppliers of goods and services in developing countries;

-Parliament has previously called explicitly for "a clear preference for local and regional cooperation, prioritising - in ranking order - suppliers from the recipient country, neighbouring developing countries and other developing countries", in order to strengthen the efforts of the recipient countries to improve their own production at national, regional, local and family level, as well as actions aiming at improving the availability and accessibility to the public of foodstuffs and basic services, consistent with local habits and production and trading systems.

-When awarding tenders under a Community instrument, special consideration will be given to respect for internationally agreed core labour standards of the International Labour Organization (ILO), e.g. the conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination with respect to employment and occupation, and abolition of child labour;

-When awarding tenders under a Community instrument, special consideration will be given to respect for the following internationally agreed environmental conventions: the Convention on Biological Diversity of 1992, the Cartagena Protocol on Biosafety of 2000 and the Kyoto Protocol to the United Nations Framework Convention on Climate Change of 1997;

-Access by developing countries to Community external assistance shall be enabled by all technical assistance deemed appropriate.

Community external assistance: rules for the access to external assistance instruments, for the eligibility and the origin

2005/0806(CNS) - 17/05/2005 - Legislative proposal

On 7 April 2004, the Commission sent a draft Regulation on EU external assistance to the European Parliament and the Council. This proposal is based on Articles 179 and 181A of the EC Treaty and must be adopted by the codecision procedure provided for in Article 251 of the Treaty (refer to COD/2004/0099).

The Working Party on Development Cooperation examined the proposal at its meetings in May and June 2004, under the Irish Presidency, then again in July and September 2004, under the Dutch Presidency. At these meetings, the need to split the initial proposal due to different legal basis which characterised the acts which it aimed to amend was highlighted.

At its last exchange of views in September 2004, the Working Party decided to interrupt the examination of the proposal pending the presentation of the Commission's new external action instruments due out in October 2004 in which an Article should be included on the untying of external assistance from the Community .

In January 2005, in light of the incertitude of the adoption of the new financial perspectives and the need to continue with the fundamental questions of this proposal, the Working Party decided to continue with the examination of the proposal with a view to its adoption at first reading in June or July 2005.

At its meetings in January, February and March 2005, the Party continued with the examination of proposal COD/2004/0099 and informed the Parliament of the state of its initial comments concerning the most appropriate procedure with a view to the adoption of this proposal. On 14 April 2005, the Working Party agreed to split the proposal into two separate proposals and informed the Parliament by letter.

The initial proposal COD/2004/0099, which aims to amend 25 existing regulations in the area of external assistance, is subject to the splitting process and follows the following legal basis:

- 15 of the 25 regulations to be amended shall be based on Article 179 (formerly 130W) of the EC Treaty and shall be adopted by codecision;

- the remaining 10 shall be based on Article 181A (legal basis provided by the Nice Treaty). This is the legal basis used for the present proposed Regulation.

The two sets of Regulations have distinct legal instruments each with different scopes. Each Regulation shall be adopted separately but with identical measures (in as far is possible) and they should be adopted simultaneously.

The content of the proposal remains unchanged in comparison with the initial proposal COD/2004/0099 but the Regulations concerned by the amendments are the following:

- Thematic instruments :

- Council Regulation 1725/2001/EC concerning action against anti-personnel landmines in third countries other than developing countries;
- Council Regulation 976/1999/EC on consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms in third countries.

- Geographical instruments :

- Council Regulation 2500/2001/EC concerning preaccession financial assistance for Turkey;
- Council Regulation 2666/2000/EC on the CARDS programme;
- Council Regulation 99/2000/EC, Euratom on the TACIS programme;
- Council Regulation 1267/1999/EC establishing an Instrument for Structural Policies for Pre-Accession ISPA;
- Council Regulation 1268/1999/EC on Community support for pre-accession measures for agriculture and rural development in the applicant countries of Central and Eastern Europe in the pre-accession period SAPARD;
- Council Regulation 1488/96/EEC on the MEDA programme;
- Council Regulation 1762/92/EEC on the MEDA programme (implementation of the Protocols on financial and technical cooperation);
- Council Regulation 443/92/EEC on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America.