




Basic information	
<b>2006/0807(CNS)</b> CNS - Consultation procedure Regulation	Procedure completed
External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories  Amended by <a href="#">2009/0059(COD)</a>  <b>Subject</b>  6.30 Development cooperation	


Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>INTA</b> International Trade		MARTIN David (PSE)	11/07/2006
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>AFET</b> Foreign Affairs		The committee decided not to give an opinion.	13/09/2006
	<b>DEVE</b> Development		The committee decided not to give an opinion.	
	<b>BUDG</b> Budgets		The committee decided not to give an opinion.	
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	Agriculture and Fisheries		2774	2006-12-19
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	External Relations		FERRERO-WALDNER Benita	

Key events			
Date	Event	Reference	Summary
		COM(2004)0629	Summary

01/10/2004	Initial legislative proposal published		
24/07/2006	Legislative proposal published	<a href="#">11877/2006</a>	<a href="#">Summary</a>
05/09/2006	Committee referral announced in Parliament		
22/11/2006	Vote in committee		
29/11/2006	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A6-0430/2006</a>	
12/12/2006	Decision by Parliament	<a href="#">T6-0550/2006</a>	<a href="#">Summary</a>
12/12/2006	Results of vote in Parliament		
12/12/2006	Debate in Parliament		
19/12/2006	Act adopted by Council after consultation of Parliament		
19/12/2006	End of procedure in Parliament		
30/12/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2006/0807(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by <a href="#">2009/0059(COD)</a>
Legal basis	EC Treaty (after Amsterdam) EC 181A
Stage reached in procedure	Procedure completed
Committee dossier	INTA/6/39239

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE378.671</a>	21/09/2006	
Amendments tabled in committee		<a href="#">PE380.572</a>	10/10/2006	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A6-0430/2006</a>	29/11/2006	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T6-0550/2006</a>	12/12/2006	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">11877/2006</a>	24/07/2006	<a href="#">Summary</a>	
<b>European Commission</b>				

Document type	Reference	Date	Summary
Initial legislative proposal	COM(2004)0629 	01/10/2004	<a href="#">Summary</a>
Commission response to text adopted in plenary	SP(2007)0303	24/01/2007	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
<a href="#">Regulation 2006/1934</a> <a href="#">OJ L 405 30.12.2006, p. 0041</a>	<a href="#">Summary</a>

## External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories

2006/0807(CNS) - 24/07/2006 - Legislative proposal

**PURPOSE:** [to propose a new financing instrument for cooperation with industrialised and other high-income countries and territories \(2007-2013\).](#)

**PROPOSED ACT:** Council Regulation.

**LEGAL CONTEXT:** as stated in the former initial proposal (see summary dated 1 October 2004), this proposal is the result of the splitting of proposal COD/2004/0220 establishing a financing instrument for development and economic cooperation. It has been decided to split that proposal into three separate texts:

- the present text ;
- a Regulation establishing a financing instrument for the promotion of democracy and human rights world wide (see [COD/2006/0116](#));
- a Regulation establishing a financing instrument for development cooperation (see [COD/2004/0220](#)).

Following this split, the Council sent a letter to the European Parliament requesting that it be formally consulted on this issue. Moreover, in order to enable a common approach to the Community's operations in this field, it is envisaged that the separate draft Regulations will as far as possible contain identical provisions, and be adopted simultaneously.

**CONTENT:** over the past decade, the Community has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income countries and territories across different regions of the world, primarily in North America, East Asia and Australasia, but also in South-East Asia and the Gulf region. It is the Community' s interest to further deepen its relations with industrialised countries and territories with which it often shares similar political, economic and institutional structures and values and which are important bilateral political and trading partners as well as players in multilateral fora and in global governance. The European Union and industrialised and other high income countries and territories have agreed to strengthen their relationship and to cooperate across the areas in which they have shared interests through a variety of bilateral instruments such as agreements, declarations, action plans and other similar documents.

The main aim of cooperation with these countries and territories shall be to :

- § provide a specific response to the need to strengthen links and to engage further with them on a bilateral, regional or multilateral basis;
- § contribute to the creation of a more favourable environment for the development of the relations of the Community with these countries and territories;
- § promote dialogue and Community's strategic interests.

**Beneficiary countries:** Australia; Bahrain; Brunei; Canada; Chinese Taipei; Hong-Kong; Japan; Republic of Korea; Kuwait; Macao; New Zealand; Oman; Qatar; Saudi Arabia; Singapore; United Arab Emirates; United States.

However, in duly justified circumstances and in order to foster regional cooperation, the Commission may decide when adopting action programmes that countries not listed above are eligible, where the project or programme to be implemented is of regional or cross border nature. This list may be amended in accordance with regular OECD/DAC reviews.

**Areas of cooperation:** measures financed under this Regulation shall cover areas of cooperation set out notably in the instruments, agreements, declarations and action plans, between the Community and the partner countries as well as areas pertaining to the Community's strategic interests. Community assistance shall support cooperation actions consistent with Article 1 and shall be consistent with the overall purpose, scope, objectives and general principles of this Regulation. Specific attention shall be paid to actions in the following **areas of cooperation**:

- 1) the promotion of cooperation, partnerships and joint undertakings between economic, academic and scientific actors in the Community and partner countries;
- 2) the stimulation of bilateral trade, investment flows and economic partnerships;
- 3) the promotion of dialogues between political, economic and social actors and other nongovernmental organisations in relevant sectors in the Community and partner countries;
- 4) the promotion of people-to-people links, education and training programmes and intellectual exchanges and the enhancement of mutual understanding between cultures and civilisations;
- 5) the promotion of cooperative projects in areas such as research, science and technology, energy, transport and environmental matters, customs and any other matter of mutual interest between the Community and the partner countries;
- 6) the enhancement of awareness about and understanding of the European Union and of its visibility in partner countries;
- 7) support for specific initiatives, including research work, studies, pilot schemes or joint projects destined to respond in an effective and flexible manner to cooperation objectives arising from developments in the Community's bilateral relationship with the partner countries or aiming to provide impetus to the further deepening and broadening of bilateral relationships with them.

**Programming and allocation of funds:** actions to promote cooperation under this Regulation shall be carried out in the framework of multi-annual cooperation programmes which the Commission will draw up. They shall set out the Community's strategic interests and priorities, general objectives and expected results. They shall be reviewed at mid-term, or ad hoc if necessary.

**Implementation measures:** the Commission shall adopt annual action programmes based on the multi-annual cooperation programmes. Annual action programmes shall specify, for all or for a selection of partner countries, the objectives pursued, the fields of intervention, the expected results, the management procedures and the total amount of financing planned. They shall contain a description of the operations to be financed, an indication of the amounts allocated for each operation and an indicative implementation timetable.

The draft Regulation also lays down provisions on the following issues:

- **eligibility:** entities and bodies in the Member States and in the partner countries (public or parastatal bodies; companies; NGOs; International organisations, etc).
- **types of financing:** the financing of cooperation projects and programmes will be made from the Community's budget either in totality or will take the form of co-financing with other sources.
- **support measures:** Community financing may cover expenditure associated with the preparation, follow up, monitoring, audit and evaluation activities directly necessary for the implementation of this
- Regulation and the achievement of its objectives, and any other administrative or technical assistance expenditure necessary for the management of the programme. It shall also cover expenditure at Commission Executive agencies and Delegations, on the administrative support needed to manage operations financed under this Regulation. These support measures are not necessarily covered by multi-annual programmes and may therefore be financed outside their scope. However, they may also be financed under multi-annual programmes.
- **co-financing measures;**
- **management procedures** implemented in accordance with the EU's Financial Regulation;
- **evaluation:** the Commission shall regularly evaluate the actions and programmes financed under this Regulation in order to ascertain whether the objectives have been met and enable it to formulate recommendations with a view to improving future operations.

Council Regulation 382/2001/EC, amended by Council Regulation 1900/2005 concerning the implementation of projects promoting cooperation and commercial relations between the European Union and the industrialised countries (see **CNS/2004/0288**) shall be repealed as of 1 January 2007. The amount of Community funding deemed necessary for the implementation of the actions identified in this Regulation will be established by the budget authority on an annual basis within the limits of the financial perspectives (**see the indicative financial statement**).

# External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories

2006/0807(CNS) - 21/12/2006 - Final act

PURPOSE: to establish a new financing instrument for cooperation with industrialised and other high-income countries and territories (2007-2013).

LEGISLATIVE ACT: Council Regulation (EC) No 1934/2006 establishing a financing instrument for cooperation with industrialised and other high-income countries and territories.

BACKGROUND: with the adoption of the [financial perspectives for 2007 -2013](#), a new framework for planning and delivering external assistance to third countries has been adopted the purpose of which is to make the Community's assistance more effective and streamlined. This new framework repeals a plethora of existing legislative acts and replaces them with more concise, focused legislation. The other recently approved Instruments are:

- [An Instrument for Pre-Accession](#)
- [The European Neighbourhood and Partnership Instrument](#)
- [An Instrument for development co-operation](#)
- [An Instrument for Stability](#)
- [An Instrument for the promotion of democracy and human rights world-wide](#)
- The present Instrument for co-operation with industrialised and other high income countries and territories.

To recall, this instrument is the result of the splitting of proposal establishing a financing instrument for development and economic cooperation (please refer to the initial proposal for details).

CONTENT: over the past decade, the Community has consistently strengthened its bilateral relations with a broad range of industrialised and other high-income countries and territories across different regions of the world, primarily in North America, East Asia and Australasia, but also in South-East Asia and the Gulf region. It is the Community's interest to further deepen its relations with industrialised countries and territories with which it often shares similar political, economic and institutional structures and values and which are important bilateral political and trading partners as well as players in multilateral fora and in global governance. The European Union and industrialised and other high income countries and territories have agreed to strengthen their relationship and to cooperate across the areas in which they have shared interests through a variety of bilateral instruments such as agreements, declarations, action plans and other similar documents.

**Objective:** Community financing shall support **economic, financial and technical cooperation** and other forms of cooperation falling within its spheres of competence, with industrialised and other high-income countries and territories. The primary objective shall be to provide a specific response to the need to strengthen links and to engage further with them on a bilateral, regional or multilateral basis in order to create a more favourable environment for the development of the relations of the Community with these countries and territories and promote dialogue while fostering Community's interests.

By implementing this Regulation, the European Union seeks to promote commitment to the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law in partner countries through dialogue and cooperation. A **differentiated approach** in designing cooperation with partner countries shall be pursued, where appropriate, to take account of their economic, social and political contexts as well as of the Community's specific interests, strategies and priorities. Measures financed under this Regulation shall cover areas of cooperation set out notably in the instruments, agreements, declarations and action plans between the Community and the partner countries as well as areas pertaining to the Community's specific interests. For measures financed under this Regulation, the Community shall aim to ensure coherence with other areas of its external action as well as other relevant Community policies. This shall be ensured by formulating policy, strategic planning and the programming and implementation of measures.

**Beneficiary countries:** Australia; Bahrain; Brunei; Canada; Chinese Taipei; Hong-Kong; Japan; Republic of Korea; Kuwait; Macao; New Zealand; Oman; Qatar; Saudi Arabia; Singapore; United Arab Emirates; United States. However, in duly justified circumstances and in order to foster regional cooperation, the Commission may decide when adopting action programmes that countries not listed above are eligible, where the project or programme to be implemented is of regional or cross border nature. This list may be amended in accordance with regular OECD/DAC reviews.

**Areas of cooperation:** measures financed under this Regulation shall cover areas of cooperation set out notably in the instruments, agreements, declarations and action plans, between the Community and the partner countries as well as areas pertaining to the Community's strategic interests. Community assistance shall support cooperation actions consistent with the Regulation and shall be consistent with its overall purpose, scope, objectives and general principles. Specific attention shall be paid to actions in the following areas of cooperation: 1) the promotion of cooperation, partnerships and joint undertakings between economic, academic and scientific actors in the Community and partner countries; 2) the stimulation of bilateral trade, investment flows and economic partnerships; 3) the promotion of dialogues between political, economic and social actors and other nongovernmental organisations in relevant sectors in the Community and partner countries; 4) the promotion of people-to-people links, education and training programmes and intellectual exchanges and the enhancement of mutual understanding between cultures and civilisations; 5) the promotion of cooperative projects in areas such as research, science and technology, energy, transport and environmental matters, customs and any other matter of mutual interest between the Community and the partner countries; 6) the enhancement of awareness about and understanding of the European Union and of its visibility in partner countries; 7) support for specific initiatives, including research work, studies, pilot schemes or joint projects destined to respond in an effective and flexible manner to cooperation objectives arising from developments in the Community's bilateral relationship with the partner countries or aiming to provide impetus to the further deepening and broadening of bilateral relationships with them.

**Programming and allocation of funds:** actions to promote cooperation under this Regulation shall be carried out in the framework of multi-annual cooperation programmes covering cooperation with all or with a selection of the partner countries. The Commission shall draw-up the multi-annual cooperation programmes and specify their scope.

Multi-annual cooperation programmes shall cover no more than a maximum of 7 years. They shall set out the Community's strategic interests and priorities, the general objectives and the expected results. They shall also set out the areas selected for financing by the Community and outline the indicative financial allocation of funds, overall, per priority area and per partner country or group of partner countries for the period concerned.

**Implementation:** the Regulation details the conditions of adoption of financing decisions by the Commission for each type of action proposed (multiannual cooperation programmes or annual action programmes). The Regulation also lays down provisions on the following issues:

- **Eligibility:** entities and bodies, institutions, companies and NGOs.
- **Types of financing:** cooperation projects and programmes will be financed by the general budget of the European Union either in totality or in the form of co-financing with other sources (see cofinancing below). Financing for the implementation of action programmes may take the legal form of a grant agreement (including scholarships); procurement contracts; employment contracts; or financing agreements.
- **Cofinancing:** measures shall be eligible for co-financing inter alia with: Member States, their regional and local authorities, and in particular their public and parastatal agencies; partner countries; international organisations and regional organisations, including international and regional financial institutions; companies, firms, other private organisations and businesses, and other non-state actors; partner countries in receipt of funding, and other bodies eligible for funding.
- **Management:** the management of this instrument must meet the requirements of the protection of the Community's financial interests.
- **Evaluation:** the Commission shall regularly evaluate the actions and programmes financed under this Regulation. It will submit a report covering the first three years of the implementation not later than 31 December 2010. Amendments are to be proposed to this Regulation, if necessary.
- **Financial envelope:** the instrument is allocated a budget of EUR 172 million for the period 2007-2013.

ENTRY INTO FORCE: 31.12.2006. It shall apply from 1 January 2007 to 31 December 2013. As for the date of entry into force, [Regulation \(EC\) No 382/2001](#) concerning the implementation of projects promoting cooperation and commercial relations between the EU and the industrialised countries of North America, the Far East and Australasia as amended by Regulation (EC) No 1900/2005, shall be repealed.

## External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories

2006/0807(CNS) - 01/10/2004 - Initial legislative proposal

On 1 October 2004, the Commission published a draft Regulation of the European Parliament and of the Council aiming to establish a new financing instrument for development co-operation and economic co-operation in the framework of the forthcoming financial perspectives 2007-2013: **please refer to the Commission's initial proposal (COD/2004/0220, summary dated 01/10/2004).**

As far its remit is concerned, it covers all of the world's countries, territories and regions except:

- The Member States of the Community.
- The Overseas Countries and Territories associated with the Community.
- Countries eligible for the pre-accession instrument (Albania, Former Yugoslav Republic of Macedonia, Bosnia-Herzegovina, Croatia, Serbia and Montenegro and Turkey )
- Countries eligible for the new European Neighbourhood and Partnership Instrument (Algeria, Armenia, the Palestinian Authority of the West Bank and the Gaza Strip, Azerbaijan, Byelorussia, Egypt, the Russian Federation, Georgia, Israel, Jordan, Lebanon, Libya, Morocco, Moldavia, Syria, Tunisia and Ukraine).

Moreover, a number of general principles guide the Regulation, namely, consistency, co-ordination of co-operation policies, co-ordination with other bi-lateral or multi-lateral donors, redirection of Community assistance towards forms of sectoral and budgetary support and respect for human rights and fundamental freedoms, democratic principles and the rule of law.

After trilateral consultations between the Commission, the European Parliament and the Council, it was decided, in July 2006, to split that proposal into three separate texts:

- i) a Regulation establishing a financing instrument for the promotion of democracy and human rights world wide (see COD/2006/0116);
- ii) a Regulation establishing a financing instrument for development cooperation based on Article 179 TEC (COD/2004/0220);
- iii) a Regulation establishing a financing instrument for cooperation with industrialised and other high-income countries and territories based on Article 181 a TEC (for the present proposal, refer to the initial proposal dated 24 July 2006).

These complementary proposals will breakdown the initial amounts provided by the cooperation instrument: that is **EUR 17.053 billion**.

For details concerning the financial implications of this proposal, please refer to the financial statement.

## External assistance: a financing instrument for cooperation with industrialised countries and territories and other high-income countries and territories

2006/0807(CNS) - 12/12/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by David **MARTIN** (PES, UK) and made some amendments to the proposal that were aimed at bringing it into line with other external instruments, through a review clause, a human rights/democracy clause and strengthening of the role of Parliament with regard to evaluation, reporting mechanisms and its involvement in multiannual cooperation programmes. The financial reference amount for the implementation of this Regulation for the period from 2007 to 2013 will be EUR 172 million.

The principal amendments were as follows:

- the Community's cooperation should contribute to the general objective of developing and consolidating democracy and the rule of law, and to the objective of respecting human rights and fundamental freedoms;
- in order to achieve the objectives of the Regulation a differentiated approach should be pursued depending on economic, social and political contexts, pursuing cooperation with partner countries or regions with specific, tailor-made programmes, based on their specific situation as well as on the Community's specific interests, strategies and priorities;
- Parliament emphasised greater complementarity and better harmonisation, alignment and coordination of procedures, both between the Community and its Member States and in relations with other actors;
- any amendment to the list in the Annex resulting from the regular OECD/DAC reviews of its List of developing countries shall be notified by the Commission to the European Parliament and the Council before the Commission adopts the required modifications;
- a new clause is inserted on protecting the Community's financial interests;
- a limited proportion of the annual budget shall be used to finance evaluation studies of the actions and programmes undertaken in the framework of the Regulation;
- by 31 December 2010, the Commission shall submit to the European Parliament and the Council a report evaluating the implementation of this Regulation in the first three years with, if appropriate, a legislative proposal introducing the necessary modifications.