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REPORT

on the proposal for a European Parliament and Council regulation extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries
(COM(1999) 443 – C5-0146/1999 – 1999/0194(COD))

Committee on Development and Cooperation

Rapporteur: Niranjan Deva

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend the common position
- *** Assent procedure
majority of Parliament's component Members except in cases covered by Articles 105, 107, 161 and 300 of the EC Treaty and Article 7 of the EU Treaty
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend the common position
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

Abbreviations for committees

- I. AFET Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy
- II. BUDG Committee on Budgets
- III. CONT Committee on Budgetary Control
- IV. LIBE Committee on Citizens' Freedoms and Rights, Justice and Home Affairs
- V. ECON Committee on Economic and Monetary Affairs
- VI. JURI Committee on Legal Affairs and the Internal Market
- VII. INDU Committee on Industry, External Trade, Research and Energy
- VIII. EMPL Committee on Employment and Social Affairs
- IX. ENVI Committee on the Environment, Public Health and Consumer Policy
- X. AGRI Committee on Agriculture and Rural Development
- XI. PECH Committee on Fisheries
- XII. REGI Committee on Regional Policy, Transport and Tourism
- XIII. CULT Committee on Culture, Youth, Education, the Media and Sport
- XIV. DEVE Committee on Development and Cooperation
- XV. AFCO Committee on Constitutional Affairs
- XVI. FEMM Committee on Women's Rights and Equal Opportunities
- XVII. PETI Committee on Petitions

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PROCEDURAL PAGE

By letter of 15 September 1999 the Commission submitted to Parliament, pursuant to Article 251(2) and Article 179(1) of the EC Treaty, the proposal for a European Parliament and Council regulation extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries (COM(1999) 443 – 1999/0194 (COD)).

At the sitting of 4 October 1999 the President of Parliament announced that she had referred the proposal to the Committee on Development and Cooperation as the committee responsible and the Committee on Budgetary Control and the Committee on Budgets for their opinions (C5-0146/1999).

The Committee on Development and Cooperation appointed Niranjana Deva rapporteur at its meeting of 24 November 1999.

The committee considered the Commission proposal and the draft report at its meeting of 27 January 2000.

At its meeting of 23 February 2000 it adopted the draft legislative resolution unanimously.

The following were present for the vote: Joaquim Miranda, chairman; Margrietus J. van den Berg and Fernando Fernández Martín, vice-chairmen; Niranjana Deva, rapporteur; John Alexander Corrie, Gianfranco Dell'Alba (for Marco Pannella), Concepció Ferrer (for Pier Ferdinando Casini), Jean-Claude Fruteau, Michael Gahler (for Jürgen Zimmerling), Vitalino Gemelli, Richard Howitt, Renzo Imbeni, Wolfgang Kreissl-Dörfler, Giorgio Lisi, Miguel Angel Martínez Martínez, Hervé Novelli, Didier Rod, Francisca Sauquillo Pérez del Arco and Christ Zacharakis.

The opinions of the Committee on Budgetary Control and the Committee on Budgets are attached.

The report was tabled on 10 March 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

LEGISLATIVE PROPOSAL

Proposal for a European Parliament and Council regulation extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries (COM(1999) 443 – C5-0146/1999 – 1999/0194(COD))

The proposal is amended as follows:

Text proposed by the Commission¹

Amendments by Parliament

(Amendment 1)
Recital 3 (new)

Council Regulation (EC) 443/1997 requires the Commission to submit annual reports to the European Parliament and Council and whereas these should be available before final adoption of this Regulation.

Justification:

The European Parliament needs to be properly informed about the Commission's work and the annual reports must be presented as specified in the Regulation.

Or. EN

(Amendment 2)
Article 1(2)

Article 6(1) of Council Regulation (EC) No 443/97 is replaced by the following :

“1. Community financing of the operations referred to in Article 1 shall cover a period of five years (1996 to 2000).

The financial reference amount for the implementation of this programme for the period 1996 to 2000 shall be EUR 280 million.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.”

Article 6(1) of Council Regulation (EC) No 443/97 is replaced by the following :

“1. Community financing of the operations referred to in Article 1 shall cover a period of five years (1996 to 2000).

The financial framework for the implementation of this programme for the period 1996 to 2000 shall be EUR 280 million.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.”

¹ OJ C 21, 25.1.2000, p. 65

Justification:

The term 'financial framework', rather than 'financial reference amount', needs to be introduced in accordance with the provisions of the Interinstitutional Agreement on budgetary discipline of 6 May 1999.

Or. EN

(Amendment 3)
Article 1(3) (new)

Article 10(2) of Council Regulation (EC) No 443/97 shall be replaced by the following :

“2. Whenever reference is made to this Article, Articles 4 and 7 of Council Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period referred to in Article 4, paragraph 3 of Council Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its Rules of Procedure.”

Justification:

A new text on comitology is necessary following the new agreements which govern this matter.

Or. EN

(Amendment 4)
Article 1a (new)

The Commission will submit to the European Parliament and Council, at least four months before the expiry of this Regulation:

an overall assessment report which will appraise the management of the programme, identifying strengths and weaknesses and make recommendations to improve the impact of the programme.

Justification:

When assessing the long term future for this regulation it will be crucial for the European Parliament to have at its disposal an independent evaluation report, in order to suggest improvements, so that the impact of EU aid can be maximised.

Or. EN

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a European Parliament and Council regulation extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries (COM(1999)443 – C5-0146/1999 – 1999/0194(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(1999) 443¹),
 - having regard to Article 251(2) and Article 179(1) of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C5-0146/1999),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Development and Cooperation and the opinions of the Committee on Budgetary Control and the Committee on Budgets (A5-0065/2000),
1. Approves the Commission proposal as amended;
 2. Asks to be consulted again should the Commission intend to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council and Commission.

¹ OJ C 21, 25.1.2000, p. 65

EXPLANATORY STATEMENT

Introduction

The Commission has presented a proposal to extend the Regulation on Aid to uprooted people in Asian and Latin American developing countries (Regulation 443/97) which expired on 31 December 1999. The extension proposed is one year, to 31 December 2000.

The proposal is presented to the European Parliament and to the Council under the co-decision procedure, which applies to the field of development cooperation since the entry into force of the Amsterdam Treaty.

Contents of proposal

The Commission proposes to roll over the existing Regulation by replacing two articles as follows:

Text in current regulation (part of Art.14): "It shall apply until 31 December 1999" to be replaced by "It shall apply until 31 December 2000".

Article 6 (1) in the current regulation: "Community financing of the operations referred to in Article 1 shall cover a period of four years (1996 to 1999). The financial reference amount for the implementation of this programme for the period 1996 to 1999 shall be ECU 240 million."

To be replaced by "...shall cover a period of five years (1996 to 2000). The financial reference amount for the implementation of this programme for the period 1996 to 2000 shall be EUR 280 million".

Members should be aware that a Regulation (legal base) is necessary for the Commission to be able to agree new projects. To do so without a legal base would be a breach of EU law following a ruling by the Court of Justice.

The current Regulation

Support to uprooted people (refugees, returnees and internally displaced people) in Latin American and Asian developing countries have been a feature of the Community budget since 1984 although it did not have a separate legal base before the adoption of the current regulation on 3 March 1997. According to the Commission, the actions funded under the corresponding budget lines are diverse and tailored to very specific circumstances in the countries and refugee populations concerned but could broadly be divided into support for three main types of situations:

- Countries that suffer from internal hostilities. In this situation, the population could be subject to human rights abuses and rapidly deteriorating living conditions. Examples of countries given by the Commission: Sri Lanka, Burma and Afghanistan.
- Countries in which positive developments toward peace and stability have allowed people to return to their country of origin, often following long periods of crises. Countries falling into this category would be: Nicaragua, El Salvador, Guatemala, Vietnam and Laos.
- Countries in which displacement is caused by the discrimination against a minority sector of the population. In this regard, the current regulation has funded actions for minority groups in Nepal, Bangladesh and Burma.

It is of course the case that for most groups of uprooted people, women and children make up the majority.

Generally, with the encouraging peace-processes and consolidation of democracy which have taken place in Central America, support to this region has most recently focussed on various schemes to assist the return of refugees and displaced people to their country or region of origin. This is particularly the case with recent projects to assist the repatriation of Guatemalan refugees wishing to return from Mexico.

It should be emphasised that although projects of this kind are primarily intended to benefit the affected populations directly, which is only logical from the point of view of the responsibilities of the international community and of solidarity with these peoples, they also form an important part of broader political solutions to a lasting peace in conflict-ridden countries. As this committee has underlined in the past, the establishment of a society where peace can be consolidated and social and economic development can take place cannot deal with, at least not in the long term, large numbers uprooted and landless people, including demobilised combatants, with little hope of being reintegrated into society. It is against this background the interventions in Central America must be seen.

Generally, in addition to the support for uprooted people in Guatemala and the Mexican region of Chiapas, some of the largest projects at country level in Central America have certainly included self-sufficiency and land transfer programmes in El Salvador as well as sustainable development projects in El Salvador. At least one regional project has also been funded.

As will be discussed later, the Commission should present the Parliament and the Council with annual reports before any approval of the proposals at hand and this should provide more detailed information as to the precise nature of projects and how these could be assessed from the point of view of relevance and results.

For Asia, efforts over the past few years include a major contribution to assist Afghan refugees, the largest refugee population in the world. It is estimated that out of the original six million Afghan refugees in Pakistan and Iran, 1,2 million remain in Pakistan and 1,4 million in Iran. Those displaced internally were recently estimated by the UN to number 300.000.

In 1997 and 1998, some 25 projects in this region were funded under the Regulation.

Projects have also assisted refugees in Bangladesh, Burma, Nepal, Sri Lanka, Thailand, Cambodia and Vietnam, although the number of projects and the overall amounts have been lower than for the Afghan programmes.

In fact, due to the scale of the problems, the rapporteur feels that a more specific overview of Afghanistan would be in order to provide members with a concrete example of what is at stake.

Firstly, in view of the prevailing political situation, it is important to note that the Commission has not provided any funding to governmental bodies in Afghanistan. The programmes which are being implemented are carried out with NGO partners and in liaison with the International Committee of the Red Cross, ICRC (this is the case for virtually all actions under this legal base and not only for Afghanistan). With such a large refugee population it is no surprise that the lack of a recognised and functioning government, as well as the fact that Afghanistan remains a subsistence economy, among the absolutely poorest countries in the world, result in severe difficulties and pressures on the population.

EU funding has consisted of various elements over the past years which have included support through ECHO, the EU's Humanitarian Aid branch. ECHO is continuing to provide funding to emergency programmes to the most affected areas. From 1992 and onwards, as large numbers of refugees began to repatriate from Pakistan and Iran following the fall of the Soviet backed government, DG1B were also implementing programmes designed to improve agricultural development and food security and other support necessary to sustain such a large influx of people.

Over time, a more integrated approach developed and, in April 1999, the Commission adopted an joint strategy across its various services (DG1B, ECHO, DG8). According to information given to the rapporteur, the following priority sectors were established for EC assistance:

- Food supply (crop/livestock production), DG1B and DG 8
- Water and sanitation, DG1B
- Education (non-discriminatory) DG1B
- Housing/Shelter, ECHO

Clearly, within the remit of this particular Regulation, all of these areas are crucial elements for the return and reintegration of refugees.

The rapporteur would like to point out that the current situation in Afghanistan is particularly difficult due to large-scale expulsions of refugees from Iran during 1999. There are also growing pressures on Afghan refugees in Pakistan to return. The number of internally displaced people in Afghanistan remain high.

Some of the funding necessary to develop these priorities are dependent on the current proposal to extend the legal base.

The rapporteur also feels that an effort to alleviate the situation in Sri Lanka is absolutely

necessary. To really make a serious attempt to solve the conflict there will of course need a concerted political initiative on the part of the international community. The rapporteur is dismayed that a sort of paralysis seems to exist in this respect and there hardly seems to be any movement at all. However, that is no reason why funding under this Regulation could not contribute to some improvements, particularly regarding the situation of internally displaced people. It is clear that the vast majority of the population, be they Tamil, Sinhalese or Muslim, in the areas controlled mainly by the Liberation Tigers of Tamil Eelam (LTTE), are being deprived of basic humanitarian rights due to the uncompromising attitude of LTTE.

The UNHCR confirms, in a country report on Sri Lanka, that although the government is providing food rations and other supplies to those in need, these cargoes are often destroyed before they arrive. The LTTE propaganda which is being fed to the population then blames the government for letting the people starve! The Commission should look favourably on initiatives to redress this balance and, through impartial information by NGOs and international organisations, work with the local population in projects on information, rehabilitation and development.

Secondly, the rapporteur must draw attention to the unacceptable situation and appalling conditions of large numbers of people living on estates/plantations, a case in hand being the former indentured labourers of Indian descent in the central hill part of the country. For about a century now, these people have been living without even a minimum of basic facilities, which the rapporteur has witnessed. Absolutely inadequate housing, no running water, no sanitation, no basic health care, etc. Additionally, some of these people have no citizenship rights at all. There is clearly a pressing need to assist them. The Commission should be aware of the situation and assistance should be forthcoming.

Previous work by the European Parliament

The European Parliament's original report on the current Regulation (Howitt report) was elaborated against a background of "an unprecedented international hostility against the rights of the refugee" and to ensure that "any new law meets the most stringent tests of fairness and human rights against the forces of racism and xenophobia at home and abroad". It is a sad but undeniable fact that this situation remains the same four years later.

It should be noted that the European Parliament had considerable success in improving the then existing drafts and, thus, played an important part in supporting and improving the text which was finally adopted. Notably, the Parliament contributed to:

- a strengthening of the regulation in its references to environmental concerns
- complementary support and cooperation necessary as regards local host populations
- highlighting the need for sufficient coordination with other actors, particularly the UNHCR

Although certain improvements were also achieved in the following areas, the Council did not fully take onboard Parliament's recommendations regarding:

- a stronger provision for targeting support and programmes towards women refugees and, particularly, a clear reference to basic health care including reproductive and psychological health and treatment for women who have been victims of rape
- a clear provision to the upholding of the “non-refoulement” principle (protection against forced return)
- less bureaucratic comitology procedures in order to speed up implementation

From the point of view of collaboration between the institutions, Mr. Howitt engaged in a very positive dialogue with the then Irish Presidency, as well as with the Commission, in order to improve on the existing drafts. In addition, and importantly, more than 50 NGOs were consulted and invited to make contributions at the various stages of the procedure.

In conclusion, therefore, the European Parliament played a major part in the original adoption of the Regulation.

Financial and budget background

The existing Regulation currently serves as the legal base for two budget lines, namely: line B7-302 (Aid to uprooted people in Asian countries) and line B7-312 (Aid to uprooted people in Latin American countries). Traditionally, the funds available have been split roughly two thirds for Asia and one third for Latin America. This has meant that about 40 million has been available on the line for Asia and about 20 million for Latin America (subject to the annual budget procedure).

In its budgetary proposals for 2000, the Commission had proposed to put 40 million on the line for Asia which corresponds to the reference amount in the regulation. No money was put on the line for Latin America. The reasons for this were that, in the context of the process of democratisation in Central America, the situation there has improved significantly. The Commission has indicated that any projects which may be forthcoming for Latin America could be financed through other budget lines, presumably the major geographical line, or through internal budget transfers in 2000.

The European Parliament, in its 2000 budget deliberations, approved this strategy despite an amendment from the Development Committee to put an additional amount on the line for Latin America. In her amendment to the Latin America line, the budget draftsman of the Development Committee, Mrs. Carlotti, expressed concern about the volatile situation in Columbia and, to some extent, in Peru.

The rapporteur shares this concern and believes that the Commission should clarify whether any actions for Latin America are planned and/or deemed necessary. This is particularly the case since there are substantial numbers of internally displaced people in Colombia and Peru, two countries which in the past have not received funding through this budget line.

Nevertheless, he must emphasise that this Regulation is necessary for any new programmes being committed (be it in Asia or Latin America) and provided that the Commission have the flexibility to intervene, matters which are decided in the budgetary process should not be a major factor in assessing the current proposal.

Evaluation of projects and future strategy

The Regulation states that the Commission shall submit an annual report to the European Parliament and to the Council, summarising the operations financed and evaluating the implementation of the Regulation. In addition, it should summarise any independent evaluations of specific operations.

The rapporteur has made sure that these reports will indeed be made available before final adoption of this regulation. In addition, to tie in with the assessment of the long-term future of this regulation, he has specified that an evaluation report should be presented by September 2000.

He would like to stress the importance of this undertaking by the Commission since it is a key element in assessing the programmes and for this parliament to be able to deal with the proposal in a responsible manner.

Conclusions

It must be recognised that Parliament and Council find themselves in rather an awkward position.

Naturally, considering the important actions funded under the Regulation and, perhaps most acutely, the need to assure continued funding to projects in Afghanistan, the rapporteur feels inclined to push for a very rapid approval of the proposal which would assure a legal base for 2000.

On the other hand, there is not yet a clear strategy as to the future of this Regulation and even if the Commission were to present a proposal for a multi-annual legal base in the beginning of 2000, we would, in a year's time, face exactly the same problem as we are facing now: A pressing need to have a legal base to assure funding of projects whilst, at the same time, working under time constraints which do not allow for the proper functioning of the legislative procedures in place. This is, of course, a minor problem when simply prolonging a Regulation (provided that we feel that it is operating in a satisfactory manner) but it does present considerable problems when it comes to a possible revision of the Regulation.

Therefore, in a sense, an immediate approval of the proposal would postpone the need for a long-term solution. In doing so it would, nevertheless, allow the Institutions to engage in a more thorough dialogue in this area and, hopefully, allow us to find a more permanent solution by 2001.

The rapporteur would like to point out that if this proposal is to have any meaning, it is essential for the Parliament and the Council to reach quick agreement. He must underline that the introduction of a substantial number of amendments to the proposal, although of course possible, could take the legislative procedure well into the autumn of 2000 (unless the Council were to accept all of those amendments) and defeat the very purpose of the proposal (assuring funding for 2000). However, he believes that the amendments adopted in the development committee are crucial in order to insure accountability and transparency as regards Community aid programmes.

It would be very difficult for Parliament to simply rubber stamp programmes of such importance, and which involve large financial amounts, without having the proper basis for doing so.

Given the fact that the annual reports and the evaluation report are forthcoming the rapporteur strongly supports the approval of this proposal so that funding for refugees and uprooted people can be assured for 2000.

Numbers of refugees on each continent

ASIA	4,809,000
AFRICA	4,341,000
EUROPE	3,166,000
NORTH AMERICA	720,000
LATIN AMERICA	88,000
OCEANIA	75,000

Source: UNHCR, 1996 statistical overview

(N.B. The rapporteur would like to point out that these figures do not include internally displaced people.)

EUROPEAN PARLIAMENT

22 February 2000

OPINION

(Rule 162)

for the Committee on Development and Cooperation

on the proposal for a European Parliament and Council Regulation extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries (COM(1999)443 – C5-0146/1999 – 1999/0194(COD))

Committee on Budgetary Control

Draftsman: Freddy Blak

PROCEDURE

At its meeting of 7 December 1999 the Committee on Budgetary Control appointed Freddy Blak draftsman.

It considered the draft opinion at its meetings of 26 January 2000 and 22 February 2000 .

At the latter meeting it adopted the following conclusions by 11 votes to 1.

The following were present for the vote: Diemut R. Theato, chairman; Herbert Bösch, vice-chairman; Freddy Blak, vice-chairman and draftsman; Mogens Camre, Gianfranco Dell'Alba, Anne Ferreira, Brigitte Langenhagen, Mair Eluned Morgan, José Javier Pomés Ruiz, Heide Rühle, Bart Staes and Gabriele Stauner.

BACKGROUND/GENERAL COMMENTS

Why is this Regulation needed?

1. Council Regulation No 443/97 on helping uprooted people in developing countries in Asia and Latin America (ALA) came into effect on 3 March 1997 and was due to expire on 31 December 1999. A proposal by the Commission to extend this Regulation for a further 12 months until 31 December 2000, was referred to Parliament in October 1999. The codecision procedure applies.

What are the main findings of this opinion?

2. The draftsman believes that the recently expired Regulation cannot be extended until the Commission makes a public commitment to appraise and evaluate its past work and consider the integration of the Regulation into existing legislation. This opinion therefore:
 - (a) gives a brief overview of the track record of the Commission in aid to refugees;
 - (b) examines how well the Commission met objectives in the expired Regulation;
 - (c) raises questions to orient a much needed debate.

(a) What is the track record of the Commission in delivering long term assistance?

3. Since 1984, the Commission has been actively helping uprooted people, i.e. refugees, returnees and displaced persons, in developing countries in ALA. This aid is meant to complement existing short term humanitarian aid as it focuses on longer term measures to foster self-sufficiency and integration for cross-border and internally displaced refugees.
4. With time, however, the coherence of actions has suffered as the Commission has attempted to deliver aid via a number of distinct mechanisms. This piecemeal approach is reflected in the underpinning legislation. As pointed out in the Court of Auditors' special report 2/1997¹, there is a lack of clarity between measures financed under Council Regulation No 2258/1996² on rehabilitation and reconstruction operations in developing countries and programmes funded for uprooted people in ALA under Council Regulation N° 443/1997³. To complicate matters, aid to refugees, returnees and displaced persons in Africa is governed by article 255 of the Lomé IV convention under the 7th European Development Fund, whilst aid to ALA countries was subject to Council Regulation No 443/1992⁴ on financial and technical assistance.

(b) Respecting the expired Regulation – too little, too late?

5. Before appraising the Commission proposal and making proposals for amendments, the draftsman would like to take stock of Regulation No 443/1997. Judging by the considerable gestation time of this text (from submission of the proposal by the Commission on 4 September 1995 to its adoption by Council on 3 March 1997), one would expect the Commission, charged with the execution of €240 million for just under three years to 31 December 1999, to have provided adequate resources and to have set up systems to manage and evaluate its work effectively. Again, management has not been up to the challenge. The DG responsible has requested the evaluation from the SCR, which has not responded due to a lack of resources. The SCR must be criticised for not submitting the evaluation. However, ultimate responsibility lies with DG RELEX (see

¹ Humanitarian Aid from the European Union between 1992 and 1995, OJ C 143, 12.05.1997

² Following joint Commission/Council declaration of 25 November 1994, adopted by Council on 26 June 1996

³ Proposal submitted by Commission on 4 September 1995 and adopted by Council on 3 March 1997

⁴ adopted on 25 February 1992

organigramme at

http://europa.eu.int/comm/dgs/external_relations/contacts/relex_directorate_en.htm) for not ensuring that the evaluation be provided.

6. Although the Regulation lays down key objectives, operational modalities and audit and evaluation checklists, and substantial work has already been carried out in Afghanistan, Sri Lanka, Burma, Nicaragua, El Salvador and Guatemala, to name but a few, the Commission has failed to programme any independent audit reports and submit any evaluations. The basic Regulation takes pains to address some of the key issues by spelling out the following:
 - **Key objectives** of self-sufficiency and integration of refugees, displaced persons, returnees and demobilised soldiers through operations including mine clearance, combating sexual violence, recovering property and helping host communities (articles 1-2);
 - **Modalities** whereby the Commission is assisted by a Committee comprising Member State representatives (article 10);
 - **Audit and evaluation** whereby an annual report is submitted to the Parliament and Council and provides guidelines for improving the effectiveness of future operations (articles 13-14).

(c) Why is the Commission more interested in the money it can spend than its impact?

7. The failure of the Commission to respect its own proposed legal texts which are meant to foster a culture of accountability and effectiveness, leads the draftsman to believe that the bureaucratic machinery is more interested in the amount of money it can spend than the impact and sustainability of aid.
8. In order to help the Commission help itself, the draftsman addressed a number of questions to Commission services on 9 December 1999. To date the draftsman has not received adequate information.

(i) Deciding Priorities

Figures from the United Nations High Commission for Refugees (UNHCR) show that over 90% of the world's displaced persons are concentrated in Asia, Africa and Europe.

<i>Territory of asylum¹</i>	<i>%</i>	<i>1996</i>	<i>%</i>	<i>1997</i>	<i>%</i>	<i>1998</i>
ASIA	36	4,809,000	39	4,730,000	41	4,745,000
AFRICA	33	4,341,000	29	3,482,000	28	3,271,000
EUROPE	24	3,166,000	25	2,941,000	23	2,668,000
NORTH AMERICA	5	720,000	6	668,000	6	660,000
LATIN AMERICA	0.7	88,000	0.7	83,000	0.6	74,000
OCEANIA	0.6	75,000	0.6	71,000	0.6	74,000
WORLD TOTAL		13,236,000		11,975,000		11,492,000

Of a total of €240m, 40% has been allocated to Latin America (with under 1% of the world's refugees) and 60% to Asia (with approximately 40% of the world's refugees)

☞ The figures suggest that a disproportionate amount of money and effort has been directed to Latin America. If so, why ?

☞ How will the Commission improve the setting of its global strategic priorities?

(ii) Ignoring recommendations?

The purpose of the overall evaluation is to allow future programmes to be improved. In the absence of an evaluation for ALA, the draftsman has turned to the SCR appraisal of refugee aid in Africa², which reports under the heading of "Major findings and lessons learned":

- delays in payments have at times been excessive;
- projects are too often scattered to allow a clear countrywide impact to emerge;
- the sustainability of projects varies greatly;
- unnecessary stringent and complex financial rules reduce effectiveness.

¹ UNHCR-1998 statistical review, <http://www.unhcr.ch>

² <http://europa.eu.int/comm/scr/evaluation/index.htm> ACP, 1997, 951178

- ☞ What lessons, if any, has the Commission applied to projects in Asia and Latin America?
- ☞ Has the Commission tackled the underlying problems raised in the report?

(iii) Future orientation?

Although the Commission has tried to harmonise internal procedures, such as the creation of the SCR in July 1998 to harness economies of scale, the legal framework is fragmented.

- ☞ What are the advantages and disadvantages of consolidating this programme under a single legal framework?

9. *Rather than take stock of its activities, the Commission is charging full steam ahead to extend the Regulation for another year. It is imperative that the Commission use the opportunity of the reforms demanded by Parliament to set its own house in order and hence improve the effectiveness and impact of aid.*

CONCLUSIONS

The Committee on Budgetary Control calls on the Committee on Development and Cooperation, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission

Amendments by Parliament

(Amendment 1)

Recital 1a (new)

whereas the programme was originally due to last for four years, but because of the time needed to adopt the Regulation under the cooperation procedure it did not come into force until 11 March 1997,

Justification:

The Commission submitted its proposal on 4 September 1995 and the Council adopted it on 3 March 1997, i.e. 19 months later. Because of this delay the Commission cannot bring the programme into operation for a period of five years as decided by Parliament and the Council.

Reducing its duration from five to four years would mean the European Union would be going back on its promises, which would give a very unfavourable political signal to the countries concerned.

Or. fr

(Amendment 2)
Recital 2a (new)

Whereas the Regulation should only be extended once the Commission has complied with its obligations laid down in article 12 of Council Regulation (EC) n° 443/97 to submit annual reports to the European Parliament and Council

Justification and comments: A direct link has been made between the extension of the Regulation for another 12 months and the submission of annual reports. Without this amendment the Commission would have been able to get away without submitting any annual evaluation reports since the Regulation came into effect in 1997. The draftsman has stressed the need to establish an independent appraisal of the Commission's work that will improve the management of on-going projects.

(Amendment 3)
Article 1(2)

Article 6(1) of Council Regulation (EC) No 443/97 shall be amended as follows:

- (a) The first sub-paragraph shall be replaced by the following: "Community financing of the operations referred to in Article 1 shall cover a period of five years (1996 to 2000)."
- (b) The second sub-paragraph shall be replaced by the following: "The financial framework for the implementation of this programme for the period 1996 to 2000 shall be EUR 280 million."

Article 6(1) of Council Regulation (EC) No 443/97 shall be amended as follows:

- (a) The first sub-paragraph shall be replaced by the following: "Community financing of the operations referred to in Article 1 shall cover a period of four years (1997 to 2000)."
- (b) The second sub-paragraph shall be replaced by the following: "The financial framework for the implementation of this programme for the period 1997 to 2000 shall be EUR 280 million."

Justification and comments: In the original Council Regulation No 443/1997, 1996 is referred to as the first year of operation, although it only came into force in March 1997. Rather than perpetuate a bureaucratic error, the draftsman has felt it necessary to correct the anomaly.

(Amendment 4)
Article 1a (new)

The Commission will submit to the European Parliament and Council, at least six months before the expiry of this Regulation,

- (a) an overall assessment report which will appraise the management of the programme, identifying strengths and weaknesses and make recommendations to improve the impact of the programme
- (b) proposal for integrating the current programme under a more appropriate and restructured budgetary base

Justification and comments: The Commission should not find itself in a position of asking for another ad-hoc extension of the programme without a full appraisal of the impact its activities. Rather than continuing to have a special Regulation to help uprooted people in Asia and Latin America, the Commission should propose an integration into existing framework legislation. This would be in line with recommendations laid down by the Court of Auditors in its special report 2/97 on Humanitarian Aid.

Mr Dell'Alba's minority opinion on Mr Blak's opinion on aid to uprooted people in Asian and Latin American developing countries.

I dispute Mr Blak's opinion for three reasons:

1. The Commission cannot be reproached for having been slow to ask the European Parliament to extend by one year the programme in favour of uprooted people, since the Santer Commission, having resigned on 21 March 1999, decided to confine itself to day-to-day management and not to launch any new initiatives. When it is recalled that the new Commission has been in operation since 22 September, it will be realised how incoherent the draftsman's motivation is.

2. The Commission cannot be considered responsible for the alleged arbitrary geographical breakdown of funds in terms of numbers of uprooted people, since it is the budgetary authority that decides how the funds are to be divided between these two geographical areas. In 1999, for example, B7-302, Aid to uprooted people in Asian countries, was endowed with EUR 37.79m and B7-312, Aid to uprooted people in Latin American countries, with EUR 21.24m (36 % of the total). The only institution that can really be criticised, in the sense intended by Mr Blak, is the European Parliament. Moreover, to compare all with world's refugees with the scope of this programme, which concerns only Latin America and Asia, is a fanciful and highly questionable exercise.

3. The draftsman cannot accuse someone of being responsible for the weaknesses in the administration of a programme in his preparatory documents without any arguments to support the accusation, and then, at the last moment, decide to retract. These allegations, which are defamatory to say the least, would justify legal action by the person concerned.

EUROPEAN PARLIAMENT

22 February 2000

OPINION

(Rule 162)

of the Committee on Budgets

for the Committee on Development and Cooperation

on the proposal for a European Parliament and Council regulation extending Regulation (EC) No 443/97 on operations to aid uprooted people in Asian and Latin American developing countries

(COM(1999) 443 – C5-0146/1999 – 1999/0194(COD))

Draftsman: Terence Wynn

PROCEDURE

The Committee on Budgets appointed Terence Wynn draftsman at its meeting of 14 October 1999.

It considered the draft opinion at its meeting of 23 February 2000.

At this meeting it adopted the conclusions and the amendments below unanimously.

The following were present for the vote: Terence Wynn, chairman and draftsman; Carlos Costa Neves, Gérard M.J. Deprez (for James E.M. Elles), Markus Ferber, Salvador Garriga Polledo, Catherine Guy-Quint, Jutta D. Haug, Ulpu Iivari (for Constanze Angela Krehl), Anne Elisabet Jensen, Esko Olavi Seppänen, Kyösti Tapio Virrankoski, Ralf Walter, Brigitte Wenzel-Perillo.

CONCLUSIONS

The budgetary situation on these lines is as follows:

Legal base – Regulation 443/97							
Aid to uprooted people in Asian and Latin American development countries							
1996 – 1999 = 4-year envelope of €240 million (proposal for 2000: €40 million)							
		1999				2000	
		CA		PA		CA	PA
		Budget	Outturn	Budget	Outturn	Budget	Budget
B7-302	Asia	37,79	29,55	37,79	21,03	pm	33,72
	<i>Reserve</i>					39,53	
B7-312	Latin America	21,24	21,21	21,24	12,24	pm	14,45

It can be seen that the principal area of activity is Asia due to its more widespread and serious problems with refugees and displaced persons. Provisional figures for 1999 show that implementation on these lines continues to be good.

The financial statement is incomplete and lacks estimates of the Commission's needs in terms of technical and administrative assistance. In the 2000 budget this is covered by new 'BAT' lines introduced by Parliament for the chapters B7-30 and B7-31.

A more serious problem is whether there is a need for this proposal at all. The sole purpose of this proposal from the Commission's point of view is to extend the validity of the legal base for one year and to update the financial reference amount from €240 million for the period 1996-1999 to the new amount of €280 million for the period 1996-2000.

One can legitimately ask if there are not better ways of doing this instead of having recourse to the full legislative procedure. The legal base of this legislation (Art.179) now falls under the codecision procedure, which allows for a 'fast-track' adoption in only one reading, with no need for the Council to go through the common position stage. At the very least, it is to be hoped that this can be applied in this case.

If as the Commission proposes, there is a need to update the financial reference amount for only one year, by adding €40 million for 2000, this comes dangerously close to determining the annual appropriations to be allocated to this action, which under the treaty can only be determined in the annual budget procedure by the budgetary authority.

The Committee on Budgets is opposed to this practice. Financial reference amounts were originally designed to provide estimates of the multi-annual needs of certain policy actions and their use for only one financial year is an abuse of the procedure which cannot be tolerated.

The Committee therefore suggests to the Committee on Development two alternative courses

of action:

1. either delete the financial reference amount proposed by the Commission and leave the original provision for the period 1996-1999 unchanged, so that the regulation is merely extended in validity until the end of 2000; the amount for 2000 can then be determined in the annual budget procedure on the basis of the recommendations from the Committee on Development;
2. or reject the extension of the programme for only one year and extend its validity until the end of the current financial perspective, and ask the Commission to provide an estimate of its financial needs for the whole of that period.

On balance, the latter would seem to be the wiser course. While it is for the Committee on Development to judge the actual needs in these regions, common sense suggests that the refugee problems, and particularly in Asia, are not going to disappear overnight. Even if the emphasis is now on enabling existing refugees to return to their home countries, new problems may emerge, given the instability in parts of the region.

The Committee on Budgets has adopted amendments to give effect to this approach. The period of validity of the Regulation is extended until 2006, the end of the current financial perspective. If new needs arise, this therefore avoids the necessity of changing the legal base every year and fixing amounts in the legislation from one year to the next.

Then, the provision for a financial reference amount is deleted. Instead, in accordance with existing provisions under the Financial Regulation, the Commission is invited every year before it presents the preliminary draft budget to update the financial statement for these actions depending on the new needs that have arisen.

AMENDMENTS

The Committee on Budgets calls on the Committee on Committee on Development and Cooperation, as the committee responsible, to incorporate the following amendments in its report:

Text proposed by the Commission¹

Amendments by Parliament

(Amendment 1)

Article 1

1. The second subparagraph of Article 14 of Council Regulation (EC) No 443/97 is replaced by the following:
“It shall apply until 31 December 2000.”
2. Article 6(1) of Council Regulation (EC) No 443/97 is replaced by the following:
“1. Community financing of the operations referred to in Article 1 shall cover a period of five years (1996 to 2000).
The financial reference amount for the implementation of this programme for the period 1996 to 2000 shall be EUR 280 million.
Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.”

1. The second subparagraph of Article 14 of Council Regulation (EC) No 443/97 is replaced by the following:
“It shall apply until 31 December 2006.”
2. Article 6(1) of Council Regulation (EC) No 443/97 is replaced by the following:
“1. Community financing of the operations referred to in Article 1 shall cover a period of seven years (2000 to 2006).
Deleted.

Annual appropriations shall be authorised by the budgetary authority within the limits of the financial perspective.

If necessary, the Commission shall make appropriate proposals to use the possibilities offered by the financial perspective to ensure the continued funding of this action.”

Justification:

A financial reference amount is used to indicate the estimated financial need of a multi-annual action. Rather than have annual revisions of this regulation, and because the needs

¹ OJ C 21, 25.01.2000, p. 65.

addressed by this regulation or not going to disappear in one year it would be best to maintain a legal base for possible financing for the full period of the current financial perspective. If the Commission is unable or unwilling to propose a financial reference amount for the whole of this period, then Parliament finds it necessary to ensure that the budgetary authority can still fix amounts corresponding to action needs in the annual budget procedure. The second part of the amendment ensures that the Commission is obliged to use the possibilities offered by the financial perspective in order to find additional funding should this prove necessary.