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COUNCIL REGULATION (EC) No 1659/98
of 17 July 1998
on decentralised cooperation

(OJ L 213, 30.7.1998, p. 6)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Regulation (EC) No 955/2002 of the European Parliament and of the Council of 13 May 2002	L 148	1	6.6.2002
►**M2**	Regulation (EC) No 625/2004 of the European Parliament and of the Council of 31 March 2004	L 99	1	3.4.2004

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COUNCIL REGULATION (EC) No 1659/98
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on decentralised cooperation

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130w thereof,

Having regard to the proposal from the Commission [1],

Acting in accordance with the procedure laid down in Article 189c of the Treaty [2],

Whereas decentralised cooperation is a new approach to development cooperation which places the agents at the focal point of implementation and hence pursues the dual aims of gearing operations to needs and making them viable;

Whereas the importance of a decentralised approach to development cooperation has been emphasised in the Fourth ACP-EC Convention, Council Regulation (EEC) No 443/92 of 25 February 1992 on financial and technical assistance to, and economic cooperation with, the developing countries in Asia and Latin America [3], and the Council Resolution of 27 May 1991 on cooperation with NGOs and in numerous European Parliament Resolutions;

Whereas the budgetary authority decided to include in the 1992 budget a heading for the promotion of this approach in all developing countries;

Whereas a financial reference amount, within the meaning of point 2 of the Declaration by the European Parliament, the Council and the Commission of 6 March 1995 on the incorporation of financial provisions into legislative acts [4] is included in this Regulation for the period 1999 to 2001, without thereby affecting the powers of the budgetary authority as they are defined by the Treaty;

Whereas decentralised cooperation is intended to help bring about a real change in the long term of the Union's development cooperation procedures;

Whereas decentralised cooperation makes an important contribution to achieving the development cooperation policy objectives of the Community as set out in Article 130u of the Treaty;

Whereas administrative procedures should be established accordingly,

HAS ADOPTED THIS REGULATION:

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Article 1

The Community shall support operations and initiatives undertaken by decentralised cooperation agents of the Community and the developing countries centred on poverty reduction and sustainable development, particularly in situations involving difficult partnerships where other instruments cannot be used. Such operations and initiatives shall promote:

— a more participatory approach to development, responsive to the needs and initiatives of the populations in the developing countries,

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[1] OJ C 250, 26.9.1995, p. 13.
[2] Opinion of the European Parliament delivered on 15 December 1995 (OJ C 17, 22.1.1996, p. 460). Council Common Position of 5 November 1997 (OJ C 43, 9.2.1998) and Decision of the European Parliament of 1 April 1998 (OJ C 138, 4.5.1998).
[3] OJ L 52, 27.2.1992, p. 1.
[4] OJ L 102, 4.4.1996, p. 4.

▼M2

— a contribution to the diversification and reinforcement of civil society and grassroots democracy in the countries concerned.

In supporting such operations and initiatives, priority shall be given to decentralised cooperation agents of the developing countries. All developing countries shall be eligible for operations to promote decentralised cooperation.

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Article 2

The priority fields for operations under this Regulation shall be:

— the development of human and technical resources and local rural or urban social and economic development in the developing countries,

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— information and the mobilisation of decentralised cooperation agents and participation in international fora to enhance dialogue on policy formulation,

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— support for strengthening the institutional capacities of such agents and their capacity for action,

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— strengthening the networks of social organisations and movements campaigning for sustainable development, human rights, in particular social rights, and democratisation,

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— methodolical back-up and follow-up for operations.

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Article 3

1. The cooperation partners eligible for financial support pursuant to this Regulation shall be decentralised cooperation agents in the Community or the developing countries, such as: local (including municipal) authorities, non-governmental organisations, organisations of indigenous peoples, local traders' associations and local citizens' groups, cooperatives, trade unions, economic and social actors organisations, local organisations (including networks) which are active in the area of regional decentralised cooperation and integration, consumer organisations, women's and youth organisations, teaching, cultural, research and scientific organisations, universities, churches and religious associations or communities, media and any non-governmental associations and independent foundations likely to contribute to development.

2. The activities of the agents associated with the objectives of this Regulation shall be transparent and comply with the principles of sound financial management and accountability.

Article 4

Community financing of the operations referred to in Article 1 shall cover a period of three years. The financial framework for the implementation of this programme for the period 2004 to 2006 shall be EUR 18 million.

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

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Article 5

1. The instruments to be employed in the course of the operations referred to in Article 1 shall include studies, technical assistance, training or other services, supplies and works, along with audits and evaluation and monitoring missions.

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2. Community financing may cover both investment expenditure, with the exception of the purchase of buildings, and, since the project must, if possible, aim at medium-term viability, recurring expenditure (including administrative, maintenance and operating expenditure).

3. A contribution from the partners defined in Article 3 shall be sought for each cooperation operation. The contribution shall be requested according to their means and the nature of the operation concerned.

4. Opportunities may be sought for co-financing with other fund providers, and especially with Member States.

5. In order to attain the objectives of coherence and complementarity laid down in the Treaty, and with the aim of guaranteeing optimum efficiency of the totality of these operations, the Commission may take all necessary coordination measures, including in particular:

(a) the establishment of a system for the systematic exchange and analysis of information on operations financed or for which financing is envisaged by the Community and the Member States;

(b) on-the-spot coordination of these operations by means of regular meetings and exchange of information between the representatives of the Commission and Member States in the beneficiary country.

Article 6

Financial support under this Regulation shall be in the form of grants.

Article 7

1. The Commission shall appraise, decide and administer operations covered by this Regulation according to the budgetary and other procedures in force, and in particular those laid down in the Financial Regulation applicable to the general budget of the European Communities.

2. Decisions relating to grants of more than ►M2 EUR ◄ 1 million for individual operations financed under this Regulation and any amendment involving an increase of more than 20 % in the amount initially approved for such an operation shall be adopted under the procedure laid down in Article 8.

3. Project and programme appraisal shall take into account the following factors:

— effectiveness and viability of operations,

— cultural and social aspects, aspects relating to equal opportunity for men and women, and the environment,

— institutional development necessary to achieve objectives of the operation,

— experience gained from operations of the same kind,

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— particular needs of countries where official cooperation is unable to contribute significantly to the objectives defined in Article 1.

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4. All financing agreements or contracts concluded under this Regulation shall provide for the Commission and the European Court of Auditors to conduct on-the-spot checks according to the usual procedures laid down by the Commission under the rules in force, and in particular those in the Financial Regulation applicable to the general budget of the European Communities.

5. Participation in invitations to tender and the award of contracts shall be open on equal terms to all natural and legal persons of the Member States and of the recipient country. It may be extended to other developing countries and, in exceptional cases which are fully justified, to other third countries.

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6. Supplies shall originate in the Member States, the recipient country or other developing countries. In exceptional cases, where circumstances warrant, supplies may originate in other third countries.

▼M1

Article 8

▼M2

1. The Commission shall be assisted by the Committee set up in accordance with Article 8 of Council Regulation (EC) No 1658/98 of 17 July 1998 on co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries (hereinafter referred to as 'the Committee'). ([1])

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2. Where reference is made to this paragraph, Articles 4 and 7 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission ([2]) shall apply, having regard to Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at one month.

3. The Committee shall adopt its rules of procedure.

Article 9

1. Every two years, in accordance with the procedure referred to in Article 8(2) and (3), the Commission shall review its strategic guidelines and adopt priorities for the implementation of operations in the years ahead. It shall inform the European Parliament thereof.

2. The programming of aid provided pursuant to this Regulation shall, as far as possible, closely complement and be consistent with aid provided under other Community development cooperation instruments and take particular account of the cooperation strategy with the country or region concerned.

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Article 10

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As part of the annual report to the European Parliament and the Council on the implementation of development policy, the Commission shall present a summary of the operations financed, the impacts and results of such operations and an independent evaluation of the implementation of this Regulation during the year, as well as details of the decentralised cooperation actors with whom contracts have been concluded.

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Every three months, the Commission shall inform the Member States of the operations and projects approved, stating their cost and nature, the recipient country and partners. This information shall be accompanied by an Annex clearly setting out the projects or programmes which exceed ►M2 EUR ◄ 1 million.

Article 11

The Commission shall make regular assessments of operations financed by the Community, in order to establish whether the objectives targeted by these operations have been attained and in order to give indications to improve the effectiveness of future operations. The Commission shall submit to the Committee referred to in Article 8 a summary of assessments carried out, which the latter may examine where appro-

([1]) OJ L 213, 30.7.1998, p. 1. Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ l 284, 31.10.2003, p. 1).

([2]) OJ L 184, 17.7.1999, p. 23.

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priate. The assessment reports shall be available to Member States requesting them.

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Article 12

Eight months at least before this Regulation expires, the Commission shall submit to the European Parliament and the Council an overall assessment of the operations financed by the Community under this Regulation, accompanied by suggestions concerning the continuing promotion of decentralised cooperation and the involvement of civil society.

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Article 13

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Communities*.

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It shall apply until 31 December 2006.

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This Regulation shall be binding in its entirety and directly applicable in all Member States.