COUNCIL REGULATION (EC) No 1659/98

of 17 July 1998

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:

Article 1

The Community shall support operations and initiatives on sustainable development undertaken by decentralised cooperation agents of the Community and the developing countries, in particular those designed to promote:

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

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

— the mobilisation of decentralised cooperation agents in the Community and the developing countries in pursuit of these objectives within the structured programmes.

All developing countries shall be eligible for operations to promote decentralised cooperation.

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,

— information and the mobilisation of decentralised cooperation agents,

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

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

Article 3

The cooperation partners eligible for financial support under this Regulation shall be decentralised cooperation

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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.

agents in the Community or the developing countries, namely: local authorities, non-governmental organisations, local traders' associations and local citizens' groups, cooperatives, trade unions, women's and youth organisations, teaching and research institutions, churches and any non-governmental associations likely to contribute to development.

Article 4

1. Community financing of the operations referred to in Article 1 shall cover a period of three years (1999 to 2001).

The financial reference amount for the implementation of this programme for the period 1999 to 2001 shall be ECU 18 million.

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

2. The budgetary authority shall determine the appropriations available for each financial year, taking account of the principles of sound financial management referred to in Article 2 of the Financial Regulation applicable to the general budget of the European Communities.

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.

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 ECU 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.

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.

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.

Article 8

1. The Commission shall be assisted by the geographically determined Committee competent for development.

2. The Commission representative shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit which the Chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 148(2) of the Treaty in the case of decisions which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The Chairman shall not vote.

3. (a) The Commission shall adopt the measures envisaged which shall apply immediately.

(b) However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event:

— the Commission shall defer application of the measures which it has decided on for a period of one month the date of such communication;

— the Council, acting by a qualified majority, may take a different decision within the time limit referred to in the first indent.

Article 9

The Committee referred to in Article 8 shall meet once a year to discuss general guidelines presented by the Commission representative for operations in the year ahead.

Article 10

After each budget year, the Commission shall submit an annual report to the European Parliament and the Council, summarising the operations financed in the course of that year and evaluating the implementation of this Regulation in that period.

The annual report shall in particular give details on the decentralised cooperation agents with whom contracts have been concluded.

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

Article 12

Before the end of 2000, 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 future of this Regulation.

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*.

It shall apply until 31 December 2001.

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

Done at Brussels, 17 July 1998.

For the Council

The President

W. RUTTENSDORFER