



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.03.1998
COM(1998) 150 final

98/0094 (CNS)

Proposal for a

COUNCIL REGULATION (EC)

on coordinating aid to the applicant

countries in the framework of the pre-accession strategy

(presented by the Commission)

EXPLANATORY MEMORANDUM

Considered by the Luxembourg European Council as the key feature of the pre-accession strategy, Accession Partnerships were instituted by Regulation/. on assistance to the applicant countries under that strategy. They provide a single framework for programming the priorities and financial resources of pre-accession aid.

The Luxembourg European Council also provided for a substantial increase in pre-accession aid so as to include, in addition to the Phare programme, aid to agriculture and a structural instrument for funding measures similar to those of the Cohesion Fund.

The above three instruments, which put pre-accession aid into effect, were created by Regulations (EEC) Nos 3906/89, as last amended by Regulation (EC) No 753/96 (Phare),/. (agriculture) and/. (ISPA).

In its report to the European Council, dated 10 December 1997, the Council (General Affairs) stressed "the importance of ensuring coherence in the implementation of the three pre-accession instruments advocated by the Commission" and called upon the Commission "to submit a proposal for an appropriate unified legislative framework, in the light of the decisions the Council will be required to take on the future financial perspective."

In the light of the above, the three Community instruments should therefore be coordinated to ensure that they complement each other without overlapping and optimise their economic impact. Such is the purpose of this draft Regulation.

The Commission will be assisted by an Advisory Committee whose role will consist of ensuring coordination and coherence between operations carried out under the three instruments and with operations funded by the EIB, the Community's other financial instruments and the international financial institutions.

Proposal for a Regulation of the Council on coordinating aid to the applicant countries in the framework of the pre-accession strategy

The Council of the European Union,

Having regard to the Treaty establishing the European Community and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the Luxembourg European Council advocated a substantial increase in pre-accession aid so as to include, in addition to the Phare programme, aid to agriculture and for structural measures;

Whereas Regulation No/. on assistance to the applicant countries in the framework of the pre-accession strategy provides for the creation of Accession Partnerships which provide a single framework for programming the priorities and financial resources of pre-accession aid;

Whereas Regulation No/. set up an agricultural instrument for application mainly in areas such as modernising the structure of agricultural holdings, improving processing and distribution structures, developing inspection activities and rural development;

Whereas the structural instrument created by Regulation No/. (the ISPA), is intended to finance infrastructure in the transport and environment fields;

Whereas the Phare programme set up by Regulation (EEC) No 3906/89, as last amended by Regulation (EC) No 753/96, shall in future focus on the essential priorities linked to adoption of the *acquis communautaire*, i.e. building up the administrative and institutional capacities of the applicant countries and financing investments designed to help them comply with Community law as soon as possible;

Whereas it is important to ensure that Community operations under the three pre-accession instruments achieve optimum economic impact;

Whereas the above instruments should remain distinct but there must be coordination between operations under them as well as with operations funded by the European Investment Bank, the European Bank for Reconstruction and Development, the Community's other financial instruments and the other international financial institutions,

HAS ADOPTED THIS REGULATION:

Article 1

Coordination and coherence between assistance granted in the framework of the pre-accession strategy under Phare, the agricultural instrument and the structural instrument shall be ensured in accordance with this Regulation.

Article 2

Measures to improve the structure of agricultural holdings, the processing and marketing of agricultural and fisheries products, phytosanitary and veterinary inspection and the quality of foodstuffs shall be financed by the pre-accession aid agricultural fund set up by Regulation No .../... Funding shall also be provided for integrated rural development, including rural infrastructure and agri-environment schemes.

Article 3

Investment projects in the following areas shall be financed from the pre-accession aid structural fund established by Regulation No ...:

- measures in the environment sector which allow the beneficiary countries to comply with the requirements of the *acquis* in relation to the environment and with the objectives of the Accession Partnerships;

- measures relating to transport infrastructure designed to promote sustainable modes of transport, in particular those that constitute projects of common interest based on the criteria of Council Decision 1692/96 and measures allowing the beneficiary countries to comply with the objectives of the Accession Partnerships; this shall include inter-connection and interoperability of national networks as well as with the trans-European networks together with access to such networks.

Article 4

1. Funding under the Phare programme shall focus on the main priorities for the adoption of the *acquis communautaire*, i.e. building up the administrative and institutional capacities of the applicant states and investment except, as regards the applicant states, for the type of investments referred to in Articles 1 and 2 above.
2. However, investment in the fields of the environment or transport essential to the completion of integrated programmes for industrial reconstruction or regional and rural development may also be allowed under this Regulation.

Article 5

Aid for schemes or measures financed in the framework of pre-accession aid may be granted from one only of the instruments referred to in this Regulation.

Article 6

Financing of the schemes or measures provided for in this Regulation shall be subject to compliance with the conditions laid down in the Accession Partnerships and to the relevant provisions of Regulations (EEC) Nos 3906/89 of 18 December 1989, as last amended by Regulation (EC) No 753/96 of 22 April 1996, .../. (agriculture) and .../. (ISPA) and of this Regulation.

Article 7

Beneficiary states shall be systematically required to contribute to the financing of investments in order to optimise the economic impact of Community operations implemented under the three instruments referred to in this Regulation.

Article 8

Schemes or measures financed under the three instruments referred to in Articles 2, 3 and 4 above shall be decided in accordance with the provisions laid down in the relevant Regulation relating to that instrument.

A Coordination Committee shall be set up in the Commission to be responsible for coordinating operations in the context of this Regulation. The Committee shall be made up of representatives of the Member States and chaired by the representative of the Commission.

The EIB shall appoint a non-voting representative to the Committee.

The representative of the Commission 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, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the Committee. It shall inform the Committee of the manner in which its opinion has been taken into account.

Coordinating measures to be taken shall include, in particular, general guidelines and establishing the multiannual programme of pre-accession aid.

The opinions of the Committee shall be brought to the attention of the Committees established by Regulations (EEC) Nos 3906/89, as last amended by Regulation (EC) No 753/96, .../.. and .../...

The Committee shall draw up its rules of procedure.

Article 9

The Commission shall ensure coordination and coherence between operations undertaken pursuant to this Regulation with contributions from the Community budget, and with operations funded by the European Investment Bank, the other financial instruments of the Community and the international financial institutions.

Article 10

1. The Commission shall implement the Community aid in accordance with the rules of transparency, the Community's financial regulation and the rules and procedures laid down in respect of each instrument.
2. Pre-accession aid shall also cover expenditure relating to the monitoring, inspection and evaluation of operations.
3. Financing decisions and any contracts or implementing instruments resulting therefrom shall expressly provide for supervision by the Commission and the Court of Auditors to be carried out on the spot, if necessary.

Article 11

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

It shall apply from 1 January 2000.

Done at Brussels

For the Council,

The President

ISSN 0254-1475

COM(98) 150 final

DOCUMENTS

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06 11 03 01

Catalogue number : CB-CO-98-186-EN-C

ISBN 92-78-32433-7

Office for Official Publications of the European Communities

L-2985 Luxembourg