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THIRD REPORT

of the Committee on Development and Cooperation

on the proposal from the Commission to the Council for a decision setting general guidelines for 1990 for financial and technical assistance to Latin American and Asian developing countries  
(SEC(89) 1456 - C3-0169/89)

Rapporteur: Mrs M. van PUTTEN

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PE 140.481/fin.

*A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)*

\* = Consultation procedure requiring a single reading

\*\*II = Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment

\*\*I = Cooperation procedure (first reading)

\*\*\* = Parliamentary assent which requires the votes of a majority of the current Members of Parliament



By letter of 12 October 1989 the President of the Council consulted the European Parliament, pursuant to Article 235 of the EEC Treaty, on the proposal from the Commission to the Council for a decision setting general guidelines for 1990 for financial and technical assistance to Latin American and Asian developing countries (SEC(89) 1456 final).

On 23 October 1989 the President of Parliament referred this proposal to the Committee on Development and Cooperation as the committee responsible and to the Committee on Budgets and the Committee on External Economic Relations for their opinions.

At its meeting of 18 October 1989 the Committee on Development and Cooperation appointed Mrs van Putten rapporteur.

The committee considered the Commission proposal and the draft report at its meetings of 28 November and 18 December 1989. At the latter meeting it decided by 13 votes to 2, with 0 abstentions, to recommend to Parliament that it reject the Commission proposal.

The committee then adopted the draft legislative resolution as a whole by 13 votes to 2, with 0 abstentions.

The following took part in the vote: Saby, Chairman; Bindi, Aulas and Belo, Vice-Chairmen; van Putten, rapporteur; Van Hemeldonck, Daly, Napoletano, Borgo, Perschau, Tsimas (for McGowan), Verhagen, Langer (for Melandri), Christopher Jackson and Telkämper.

The opinions of the Committee on Budgets and the Committee on External Economic Relations were attached.

The report was tabled on 20 December 1989.

At its sitting of 19 January 1990 Parliament decided, pursuant to Rule 39(3) of the Rules of Procedure, to refer the report to the Committee on Development and Cooperation.

At its meeting of 24 January 1990 the Committee on Development and Cooperation decided unanimously not to amend the report.

The following took part in the vote: Saby, Chairman; Aulas and Belo, Vice-Chairmen; van Putten, rapporteur; Lomas, McGowan, Pons, Simons, Van Hemeldonck, Wynn, Arbeloa Muru (for Magnani Noya), Balfe (for Morris), Buchan (for Pery), Christiansen (for Rubert de Ventos), Dury (for Schmidbauer), Fernandez Albor, Lagakos, Perschau, Tindemans, Verhagen, Hermans (for Borgo), PirkI (for Luster), Galland, Mendes Bota, Ruiz-Gimenez Aguilar, Daly, Christopher Jackson, Andrews, Melandri, Santos, Ernst de la Graete (for Telkämper) and Ewing.

The same opinions were attached to the second report.

The second report was tabled on 26 January 1990.

At its sitting of 13 March 1990 Parliament decided, pursuant to Rule 103 of the Rules of Procedure, to refer the second report to the Committee on Development and Cooperation.

At its meetings of 30 and 31 May 1990 the Committee on Development and Cooperation considered the Commission proposal and the draft report.

At the latter meeting it decided to approve the Commission proposal, subject to the following amendment. It then unanimously adopted the draft legislative resolution as a whole.

The following took part in the vote: Saby, Chairman; Aulas and Belo, Vice-Chairmen; van Putten, rapporteur; Borgo, Daly, Domingo (for Trivelli), Gutierrez Diaz (for Napoletano), Christopher Jackson, Pery, Pons Grau, Santos, Schmidbauer, Simons, Tindemans, Telkämper, Van Hemeldonck and Vohrer (for Mendes Bota).

The same opinions are attached to the third report.

The third report was tabled on 5 June 1990.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

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The Committee on Development and Cooperation hereby submits to the European Parliament the following amendment to the Commission proposal, together with a draft legislative resolution and explanatory statement:

Commission text

Amendment tabled by the European Parliament

Recitals unchanged

AMENDMENT No. 1

Before the first recital, new recital

Whereas these guidelines will henceforth be established on a multiannual basis,

Whereas general guidelines should be set for the administration by the Commission of financial and technical assistance to Latin American and Asian developing countries in 1990,

Unchanged

Rest unchanged

DRAFT LEGISLATIVE RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission to the Council for a decision setting general guidelines for 1990 for financial and technical assistance to Latin American and Asian developing countries

The European Parliament,

- having regard to the proposal from the Commission to the Council (SEC(89) 1456 final),
  - having been consulted by the Council pursuant to Article 235 of the EEC Treaty (Doc. C 3-169/89),
  - whereas on 17 May 1990 the Commission informed Parliament that, after repeated insistence on Parliament's part, it had submitted multiannual guidelines for the period as from 1991 on which Parliament must be consulted,
  - whereas the 1990 guidelines are therefore the last to be set annually,
  - having regard to the third report of the Committee on Development Cooperation and the opinions of the Committee on Budgets and the Committee on External Economic Relations (Doc. A 3-0151/90),
1. Approves the Commission proposal under protest and subject to an amendment;
  2. Urges the Council to consult Parliament immediately on the multiannual guidelines proposed by the Commission;
  3. Instructs its President to forward this opinion to the Council and Commission.

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EXPLANATORY STATEMENT

1. Regulation (EEC) No. 442/81 provides that the Council, after consulting Parliament, shall determine the guidelines to be applied to financial and technical cooperation with the Latin American and Asian (LAA) developing countries for the following year.
2. The Committee on Development and Cooperation and Parliament itself have discussed these guidelines each year and repeatedly requested the Commission to submit general guidelines for the 1990s on a multiannual basis, taking account of the differences between the various regions and countries.
3. In spite of Parliament's requests, the guidelines for 1990 bear a close resemblance to those for 1989; they are once again couched in very general terms and again cover a single year.
4. It proves to be a difficult task to table amendments to the Commission proposal, since this is a text of five articles, of such vagueness that it does not enter into the real substance of the problems affecting the regions concerned. For instance, there is no reference to environmental protection, the role of women, integration of the instruments of cooperation, the 'unofficial' sector, the urban sector, the indigenous population, the NGOs, the coordination of Community aid with aid from the Member States, the problems of regional integration and many other questions.
5. In the rapporteur's view, while all these issues could indeed be taken into account by the Commission and Council by means of amendments, there is no appropriate legal basis for such a course of action because Regulation (EEC) 442/81 makes no provision for questions of this kind and is now essentially out of date: since it was adopted the political, economic and social situation has greatly changed in these countries, so that it no longer covers all the opportunities for cooperation and development aid.
6. Furthermore, it is worth remembering that on 16 December 1988 Parliament adopted an amendment, in connection with the general guidelines for 1989, which read:  
  
'During 1989, the Commission shall propose the implementation of a genuine cooperation strategy based on adequately funded multiannual programmes corresponding to the specific needs of these two regions of the world, providing for a package of measures tailored to the varying situations of the groups of countries in these continents.'
7. For these reasons, the Committee on Development and Cooperation decided to reject the Commission proposal. It took the committee several months to make the Commission understand that, on this occasion, guidelines for a single year really were unacceptable to Parliament.



8. The rapporteur and this committee are firmly convinced that it is because of Parliament's forceful stance that the Commission has finally drawn up the multiannual guidelines which Parliament has for years been calling for. It must be acknowledged that the Commission also published a document entitled '13 years of development cooperation with the developing countries of Latin America and Asia - Data and results' (SEC(89) 713 final of 10 May 1989), though this was not an adequate response to what Parliament had for years been calling for. Multiannual guidelines were essential.
9. The multiannual guidelines have finally seen the light of day. Although parts of the new document ought to be reworked (women, indigenous peoples, human rights and, to some extent, the environment), the Committee on Development and Cooperation regards the new submission as an important move in the direction it had indicated. It is not yet possible to examine the new text, which will be covered in the next few months in a different report, incorporating amendments.
10. For all these reasons, the Committee on Development and Cooperation proposes that the guidelines for financial and technical assistance to Latin America and Asia in 1990 be approved, under protest, so as not to hold up the process any further. However, it goes without saying that guidelines for a single year will be utterly unacceptable in future.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the committee chairman to Mr Saby, Chairman of the Committee on Development and Cooperation

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6 December 1989

Subject: Opinion of the Committee on Budgets on the proposal for a Council decision setting general guidelines for 1990 for financial and technical assistance to Latin American and Asian developing countries (SEC(89) 1456 - Doc. C 3-169/89)

Dear Mr Saby,

At its meeting of 4 December 1989, the Committee on Budgets considered the above proposal.

The committee noted that, although it recognizes the need to implement a multiannual policy for the 1990s, the Commission is proposing to continue with a policy governed by annual guidelines.

The Committee on Budgets therefore wishes to draw attention to the decisions it took during the 1990 budgetary procedure concerning the funding of budget lines for Latin America and Asia and reiterates its request that a genuine multiannual policy be introduced with a set of policies geared to the needs of the countries of these two continents.

Yours sincerely,

(sgd) Thomas von der VRING

The following were present: von der Vring, Chairman; Arias Cañete, Böge, Colom I Naval, Elles, Hory, Kellett-Bowman, Langes, Lo Guidice, Lüttge, Miranda, Da Silva.

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8 December 1989

OPINION OF THE COMMITTEE ON EXTERNAL ECONOMIC RELATIONS

Letter from the committee chairman to Mr Saby, Chairman of the Committee on Development and Cooperation

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Subject: Proposal from the Commission to the Council setting general guidelines for 1990 for financial and technical assistance to Latin American and Asian developing countries (Sec(89) 1456 final-C 3-169/89)

Dear Mr Saby,

At its meeting of 21 December 1989 the Committee on External Economic Relations considered the Commission proposal setting general guidelines for 1990 for financial and technical assistance to Latin American and Asian developing countries.

The committee follows cooperation activities with these countries with great interest, in view of their enormous development potential and their present or prospective importance as economic and trading partners. More than half the world's population lives in the regions covered by this Council decision, while their total share of Community trade lies at just over ten per cent.

The committee notes that the amount set aside in the 1990 budget for such cooperation is approximately 320 million ECU in commitments and 210 million ECU in payments, divided into separate budgetary lines for Asia and Latin America.

As to the 1990 guidelines that are the subject of this draft decision, they have changed little in relation to those of 1989. The changes largely concern an increase in the total percentages of appropriations which may be allocated to measures to deal with exceptional circumstances and the programme's management costs. In addition, reference is expressly made to the San Pedro Sula conference in March 1989 at which the Community renewed its support for the process of democratization in Central America.

The committee finds that these innovations reflect a concern to enlarge the scope for cooperation and improve the efficiency of available resources. However, they do not attack the basic problems which such cooperation has to face.

The first of these is the slowness of implementing procedures and the frequent delays in carrying out the projects, as mentioned by the Commission in its report of 10 May 1989, 'Thirteen years of development cooperation with the developing countries of Asia and Latin America', SEC(89) 713 final. The annual nature of endowments, making it necessary to estimate commitments and payments which cannot be carried over from the financial year concerned, poses further problems for the implementation of long-term projects, as well as creating difficulties each time there are delays.

The second is the basic constraint on the scope for financial and technical cooperation, the purposes of which are defined by Article 3 of Regulation (EEC) 442/81<sup>1</sup>. Thus the prime aim is the development of the rural environment and improvement of food production; participation in regional projects may be considered on a subsidiary basis, and finally, part of the aid is set aside for measures to deal with exceptional circumstances.

Although these aims are not exclusive, the limited scale of the available resources means that in practice about 90% of the aid granted is applied to them. The priority given to the rural environment leads to an over-valuing of projects designed to develop agricultural and food production and the automatic elimination of projects in other sectors, without consideration of their possible contribution to development, including an indirect impact on food production.

The committee finds the present time particularly opportune for a thorough examination of the issues surrounding financial and technical cooperation with the developing countries of Latin America and Asia, because the Commission is currently drawing up guidelines for Community cooperation with these regions of the world in the 1990s.

In this connection the committee draws attention to the terms of the discharge for the 1987 budget<sup>2</sup> as regards financial and technical cooperation with Asia and Latin America, in which Parliament asked the Commission to draw up and put in hand multiannual programmes in collaboration with the beneficiary countries.

The committee also wishes to see the scope for such cooperation enlarged beyond the aims defined by Council Regulation (EEC) No. 442/81. Parliament's resolution of 27 October 1988 on cooperation between the European Community and the developing countries of Asia and Latin America<sup>3</sup> puts forward areas in which such cooperation should be expanded.

Finally, the Committee on External Economic Relations wishes the European Parliament to be consulted on the Commission's proposals for the 1990s, so that it can deliver its opinion without having recourse to urgent procedure, and with sufficient notice to enable its conclusions to be taken into account in the 1991 budget.

Yours sincerely,

(sgd) Willy DE CLERCQ

The following took part in the vote: De Clercq, Chairman; Cano Pinto, Stavrou and Moorhouse, Vice-Chairmen; Da Cunha Oliveira, Hindley, Janssen van Raay, Peijs, Porto, Rossetti and Tsimas.

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<sup>1</sup>OJ No. L 48, 21.2.1981, p. 8

<sup>2</sup>OJ No. L 247, 23.8.1989, p. 7

<sup>3</sup>OJ No. C 309, 5.12.1988, p. 110

