II

(Preparatory Acts)

COMMISSION

Amended proposal for a European Parliament and Council Regulation on measures to promote the full integration of the environmental dimension in the development process of developing countries (1)

(2000/C 274 E/01)

(Text with EEA relevance)

COM(2000) 55 final — 1999/0020(COD)

(Submitted by the Commission on 3 February 2000)

(1) OJ C 47, 20.2.1999, p. 10.

INITIAL PROPOSAL

AMENDED PROPOSAL

THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the Commission (2),

Having regard to the opinion of the Economic and Social Committee $(^3)$,

Acting in accordance with the procedure referred to in Article 189c of the Treaty,

Whereas:

- (1) Depletion of natural resources and environmental degradation have direct effects on economic development and especially on the livelihoods of local communities, and thus counteract the alleviation of poverty through sustainable development.
- (2) Current patterns of production and consumption have undeniable transboundary and global consequences, in particular where the atmosphere, the hydrosphere, and biological diversity are concerned.
- (3) The Community and its Member States are signatories to the Rio Declaration and the Agenda 21 action programme and are committed to the UNGASS Resolution 'Programme for the further implementation of Agenda 21'.

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 175 and 179 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the Economic and Social Committee (2),

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the procedure referred to in Article 251 of the Treaty,

- (1) Depletion of natural resources and environmental degradation have direct effects on economic development and especially on the livelihoods of local communities, including indigenous peoples, and thus counteract the alleviation of poverty through sustainable development.
- (2) Current patterns of production and consumption have undeniable transboundary and global consequences, in particular where the atmosphere, the hydrosphere, soil condition and biological diversity are concerned.
- (3) The Community and its Member States are signatories to the Rio Declaration and the Agenda 21 action programme and are committed to the United Nations General Assembly Special Session (UNGASS) Resolution 'Programme for the further implementation of Agenda 21'.

⁽¹⁾ COM(1999) 36 final.

⁽²⁾ REX/017, 7.7.1999.

AMENDED PROPOSAL

- (4) The Community and its Member States are parties to Multilateral Environment Agreements, notably the Convention on Biological Diversity, the Framework Convention on Climate Change and the Convention to Combat Desertification; whereas they are thus committed to take into account the common but differentiated responsibilities of developed parties and developing parties on these subjects.

Unchanged

- (5) it is important to integrate the internal and external aspects of the European Community's environment policy in order to have a coherent answer to the challenges identified in the United Nations Conference on Environment and Development (UNCED) and its follow-up processes.
- (5) The internal and external aspects of the European Community's environment policy need to be coherent in order to effectively respond to the challenges identified in the United Nations Conference on Environment and Development (UNCED) and its follow-up processes.
- (6) The Community and its Member States are committed to the OECD/DAC 'Shaping the 21st Century Strategy' which calls for the support for the implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.
- (6) The Community and its Member States are committed to the Organisation of Economic Cooperation and Development/Development Assistance Committee's (OECD/DAC) 'Shaping the 21st Century Strategy' which calls for the support for the implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015.
- (7) The European Parliament and the Council adopted on 24 September 1998 (1) the review of the European Community Programme of policy and action in relation to the environment and sustainable development 'Towards Sustainability', calling for a strengthened role for the Community in international cooperation in environment and sustainable development.
- (7) The European Parliament and the Council have adopted Decision 2179/98/EC of 24 September 1998 (¹) on the review of the European Community Programme of policy and action in relation to the environment and sustainable development 'Towards Sustainability', which calls for a strengthened role for the Community in international cooperation in environment and sustainable development. The basic strategy of the Programme is to achieve full integration of environmental policy in other policies, including development policy.
- (8) The European Council held in Cardiff in June 1998 welcomed the Commission Communication 'Partnership for Integration' setting out a strategy for integrating environment into European Union policies and endorsed the principle that major policy proposals should be accompanied by the appraisal of their environmental impact.
- (8) The European Council held in Cardiff in June 1998 welcomed the Commission Communication 'Partnership for Integration' (2) setting out a strategy for integrating environment considerations into European Union policies and endorsed the principle that major policy proposals should be accompanied by the appraisal of their environmental impact.
- (9) The Council and the Member States adopted on 15 July 1996 a resolution on Environmental Assessment in Development Cooperation.

⁽¹⁾ Decision No 2179/98/EC. Official Journal of the European Communities, L 275, 10.10.1998, p. 5.

⁽¹⁾ OJ L 275, 10.10.1998, p. 5.

⁽²⁾ COM(1998)333 final.

INITIAL PROPOSAL AMENDED PROPOSAL

- (10) In its Resolution of 30 November 1998, the Council acknowledges the key role that indigenous peoples play in the conservation and sustainable use of natural resources.
- (10) Sustainable development relies on the genuine integration of an environmental dimension into the development process.
- (11) Sustainable development relies on the integration of the environmental dimension into the development process.
- (11) Since resources are limited, the creation of suitable policies, strategies and tools and the implementation of experimental schemes are essential elements for such integration in economic and development cooperation.
- (12) Since resources are limited, the creation of suitable policies, strategies and tools and the implementation of experimental schemes are essential elements for such integration in economic and development cooperation.
- (12) The financial instruments available to the Community for sustainable development in developing countries could be usefully supplemented.
- (13) The financial instruments available to the Community for sustainable development in developing countries should be supplemented.
- (14) Coordination of operations financed under Community instruments should be improved.
- (13) Council Regulation (EC) nº 722/97 of 22 April 1997 on environmental measures in developing countries in the context of sustainable development (¹) set out the framework for Community assistance aimed at enabling developing countries to integrate the environmental dimension in their development process; whereas Regulation (EC) nº 722/97 was applicable until 31 December 1999; whereas the experience acquired during the implementation of Regulation (EC) nº 722/97 should be reflected in this regulation.
- (15) Council Regulation (EC) No 722/97 of 22 April 1997 on environmental measures in developing countries in the context of sustainable development (¹) set out the framework for Community assistance aimed at enabling developing countries to integrate the environmental dimension in their development process; whereas Regulation (EC) No 722/97 was applicable until 31 December 1999; whereas the experience acquired during the implementation of Regulation (EC) No 722/97 should be reflected in this Regulation.
- (14) Measures need to be taken to finance the activities covered by this Regulation.
- (16) Provision should be made for funding the activities referred to in this Regulation.
- (15) Detailed rules for implementation, and in particular the form of action, the recipients of the aid and the decision-making procedure should be laid down.
- (17) Detailed rules for implementation should be laid down, in particular the form of action, the cooperation partners and the decision-making procedure.
- (18) In accordance with Article 2 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), measures for the implementation of this Regulation should be adopted by use of the advisory procedure provided for in Article 3 of that Decision.

⁽¹⁾ OJ L 108, 25.4.1997, p. 1.

⁽²⁾ OJ L 184, 17.7.1999, p. 23.

⁽¹⁾ OJ nº L 108, 25.4.1997, p. 1.

INITIAL PROPOSAL AMENDED PROPOSAL

HAS ADOPTED THIS REGULATION:

HAVE ADOPTED THIS REGULATION:

Article 1

1. The Community shall provide financial assistance and technical expertise in order to support developing countries in their efforts to integrate the environmental dimension into their development process.

Unchanged

1. The Community shall support developing countries in their efforts to integrate the environmental dimension into their development process.

To this effect, the Community shall provide financial assistance and appropriate expertise aimed at elaborating and promoting the implementation of policies, strategies, tools and technologies for the pursuit of sustainable development.

- 2. Community support shall be provided directly to developing country stakeholders as well as indirectly through the strengthening of the environmental dimension of the Community economic and development cooperation.
- The assistance and expertise provided under this Regulation shall complement and reinforce those provided under other instruments of development cooperation.
 The assistance and expertise provided under this Regulation shall complement and reinforce that provided through other instruments of development cooperation.

They shall benefit the developing country stakeholders directly and indirectly through the strengthening of the environmental dimension of the Community economic and development cooperation, with a view to fully taking into account environmental considerations in Community policies and programmes.

Deleted

Article 2

For the purposes of this Regulation, 'sustainable development' means the improvement of the standard of living and welfare of the relevant populations within the limits of the capacity of the ecosystems by maintaining natural assets and their biological diversity for the benefit of present and future generations.

Article 2

- 1. The activities to be carried out under this Regulation shall serve the purpose of elaborating and promoting policies, strategies, tools and technologies for the pursuit of sustainable development.
- 2. They shall address:
- global environmental issues, in particular those addressed by multilateral environmental agreements, such as climate change, desertification and biological diversity;

Article 3

- 1. The activities to be carried out under this Regulation shall address in particular:
- global environmental issues, in particular those covered by multilateral environmental agreements, such as climate change, desertification and biological diversity;

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— schemes to build up the institutional and operational

capacities of actors in the development process, i.e.

government, NGOs, private sector, civil society, at national, regional and local level;

INITIAL PROPOSAL	AMENDED PROPOSAL
 transboundary environmental issues, in particular air and water pollution; 	 transboundary environmental issues, in particular air, soil and water pollution;
 environmental impacts related to the integration of developing countries into the world economy; 	Unchanged
 environmental impacts of macro-economic and sectoral policies in developing countries; 	
— sustainable patterns of production and consumption;	
 sustainable management and use of natural and environ- mental resources in all productive sectors of the economy; 	 sustainable management and use of natural and environ- mental resources in all productive sectors such as agri- culture, fisheries and industry;
— sustainable patterns of production and consumption;	
	 environmental problems caused by the non-sustainable use of resources due to poverty;
- sustainable production and use of energy;	Unchanged
	 sustainable production and use of chemical products, in particular hazardous and toxic substances;
 conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising out of the utilisation of genetic resources; 	Unchanged
— water-related issues;	Deleted
	— the management of fresh water resources;
— coastal zone management;	— coastal zone, estuary and wetland management;
— desertification;	Unchanged
 urban environment problems relating inter alia to solid and liquid waste, air pollution and noise, and the quality of drinking water. 	 urban environment problems relating inter alia to transport, waste, waste water, air pollution and noise, and the quality of drinking water.
3. Activities eligible for financing include:	2. Activities eligible for financing include amongst others:
 the elaboration of policies, plans and strategies for sustainable development; 	 support to the elaboration of national, regional and local policies, plans and strategies for sustainable development;

— schemes to build up the institutional and operational

capacities of actors in the development process, i.e.

government, non-governmental organisations, private sector, civil society, indigenous peoples, at national, regional and local level;

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INITIAL PROPOSAL	AMENDED PROPOSAL
 pilot projects in the field including those involving environ- mentally-sound technologies adapted to local constraints and needs; 	Unchanged
	 the creation of instruments for sustainable development, inter alia trade-related instruments such as labelling and certification schemes and green trade initiatives;
 support to the development and application of environment assessment tools in the preparation and implementation of policies, strategies, programmes and projects; 	Unchanged
 the formulation of guidelines and operational manuals aimed at promoting sustainable development and environ- mental integration; 	
 raising awareness of local populations and key actors in the development process and development cooperation with regard to the implications of sustainable development, in particular through information campaigns and training; 	
 inventory, accounting and statistical work, in order to improve environmental data and environmental indicators; 	 inventory, accounting and statistical work, in order to improve the quality of environmental data and environ- mental indicators;
— support to multilateral processes.	Deleted
4. Particular attention will be given to:	3. In the selection, preparation, implementation and evaluation of activities, particular attention shall be given to:
— the linkage with the overall objective of poverty alleviation;	 the contribution to the overall objective of eradicating poverty;
 local initiatives involving innovative measures aimed at sustainable development; 	Unchanged
 active involvement and support of local populations, including indigenous communities; 	 active involvement, support and ownership of local populations, including indigenous communities;
 the specific role, knowledge, perspectives and contribution of women in the sustainable management and use of natural resources, based on gender analysis; 	 gender-specific specific roles, knowledge, perspectives and contributions of women/girls and men/boys in the sustainable management and use of natural resources;
 the potential for integration into the wider context of Community development cooperation policies and programmes; 	Unchanged
 the internalisation of environmental costs, including through economic instruments 	 the internalisation of environmental costs, including through economic instruments;
	 the contribution to strengthening regional cooperation in the area of sustainable development.

AMENDED PROPOSAL

- 5. Lesson-learning and dissemination of the results of the activities carried out will be essential elements of implementing this regulation,
- 4. Lesson-learning and dissemination of the results of the activities carried out will be essential elements of implementing this Regulation, including in support of the implementation of international environmental agreements.

Article 3

Article 4

Aid recipients and cooperation partners shall include not only States and regions but also international organisations, decentralised departments, regional bodies, public agencies, traditional and local communities, private operators and industries, including cooperatives, and NGOs and associations representing local people.

Cooperation partners which may receive assistance under this Regulation shall include international organisations, States, regions and regional bodies, decentralised departments, public agencies, private operators and industries, cooperatives, local communities, non-governmental organisations and associations representing local people, in particular indigenous peoples.

Article 4

Article 5

1. Community financing may cover studies, technical assistance, education, training or other services, supplies and works, small grant funds as well as appraisals, audits and evaluation and monitoring missions.

1. Community financing may cover studies, technical assistance, education, training or other services, supplies and works, small grant funds as well as appraisals, audits and evaluation and monitoring missions. It may cover, within the limit established annually by the budgetary authority, technical and administrative assistance costs, to the benefit of the Commission and the beneficiary, related to operations other than the permanent tasks of the public administration, linked to the identification, preparation, management, monitoring, auditing and control of programmes or projects.

It may cover both investment, linked to a specific programme or project, with the exception of the purchase of buildings, and recurring expenditure (including administrative, maintenance and operating expenditure).

Community financing may cover both investment, linked to a specific activity, with the exception of the purchase of real estate, and recurrent expenditure (including administrative, maintenance and operating expenditure).

However, apart from training, education and research programmes, such expenditure may as a general rule be covered only during the start-up period and the cover shall decrease gradually.

With the exception of training, education and research programmes, recurrent expenditure may normally be covered only during the start-up phase and on a gradually decreasing basis.

- 2. A contribution from the partners defined in Article 3 shall be sought for each cooperation operation. Their contribution shall be requested according to their means and the nature of the operation concerned.
- 2. A contribution from the cooperation partners defined in Article 4 shall be sought for each cooperation activity. Their contribution shall be requested according to their means and the nature of the activity concerned.

- 3. Opportunities may be sought for cofinancing with other donors, especially with Member States and the international organisations concerned. In this respect, a coordination with the measures taken by other donors shall be sought.
- 4. The necessary measures shall be taken to emphasise the Community character of the aid provided under this Regulation.
- 5. In order to attain the objectives of consistency and complementarity laid down in the Treaty and with the aim of guaranteeing optimum efficiency for the totality of these operations, the Commission may, take all coordination measures necessary, including in particular:
- (a) the establishment of a system for the systematic exchange and analysis of information on operations financed or being considered for financing 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, and the representatives of the beneficiary countries,
- 6. In order to obtain the greatest possible impact globally and nationally, the Commission, in liaison with the Member States, shall take any initiative necessary for ensuring proper coordination and close collaboration with the beneficiary countries and the providers of funds and other international agencies involved, in particular those forming part of the United Nations system.

Article 5

Financial support under this Regulation shall take the form of grants.

Article 6

1. The Commission shall be responsible for appraising, deciding and administering 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.

AMENDED PROPOSAL

- 3. Opportunities may be sought for cofinancing with other donors, especially with Member States and the international organisations concerned. In this respect, coordination with the measures taken by other donors shall be sought.
- 4. The necessary measures shall be taken to emphasise the Community character of the assistance provided under this Regulation.
- 5. In order to attain the objectives of consistency and complementarity laid down in the Treaty and with the aim of guaranteeing optimum efficiency for all these activities, the Commission will, in liaison with Member States, take all coordination measures necessary, including in particular:
- (a) the systematic exchange and analysis of information on activities financed or being considered for financing by the Community and the Member States;
- (b) on-the-spot coordination of these activities by means of regular meetings and exchange of information between representatives of the Commission and of the Member States in the beneficiary country;
- 6. In order to obtain the greatest possible impact of the activities at global, national and local levels, the Commission, in liaison with the Member States, will take any initiative necessary for ensuring proper coordination and close collaboration with the cooperation partners, donors and other international organisations involved, in particular those forming part of the United Nations system.

Article 6

Financial assistance under this Regulation shall take the form of grants.

Article 7

- 1. The Commission shall be responsible for appraising, taking decisions to finance and administering activities 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. Each year the Commission shall present a document establishing strategic guidelines and priorities for implementing the activities to be carried out in the following year. This document shall be discussed in a joint meeting of the committees referred to in Article 8, paragraph 1.

2. Decisions relating to grants of more than EUR 2 million for individual operations financed under this Regulation shall be adopted under the procedure laid down in Article 7.

The Commission shall inform the Committee referred to in Article 7 succinctly of any financing decisions it intends to take with regard to projects and programmes of less than EUR 2 million in value. The information shall be made available not later than one week before the decision is taken.

- 3. The Commission shall be authorised to approve, without seeking the opinion of the Committee referred to in Article 7, any extra commitments needed for covering any expected or real cost overruns in connection with the operations, provided that the overrun or additional requirement is less than or equal to 20 % of the initial commitment fixed by the financing decision.
- 4. All financing agreements or contracts concluded under this Regulation shall provide for the Commission and the Court of Auditors to conduct on-the-spot checks according to the usual procedures laid down by the Commission under the rules in force, in particular those of the Financial Regulation applicable to the general budget of the European Communities.
- 5. Where operations are the subject of financing agreements between the Community and the recipient country, such agreements shall stipulate that the payment of taxes, duties or any other charges is not to be covered by the Community.
- 6. 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
- 7. Supplies shall originate in the Member States, the recipient country or other developing countries. In exceptional cases, where circumstances warrant, supplies may originate elsewhere.
- 8. Particular attention will be given to:
- the pursuit of cost-effectiveness and sustainable impact of activities;
- the clear definition and monitoring of objectives and indicators of achievement for all activities.

AMENDED PROPOSAL

- 3. Decisions relating to grants of more than EUR 2 million for individual operations financed under this Regulation shall be adopted by the Commission under the procedure laid down in Article 8.
- 4. The Commission shall inform the Committee referred to in Article 8 succinctly of any financing decisions it intends to take with regard to projects and programmes of less than EUR 2 million in value. The information shall be made available not later than one week before the decision is taken.
- 5. The Commission shall be authorised to approve any extra commitments or additional requirements needed for covering any expected or real cost overruns in connection with the operations, provided that the overrun or additional requirement is less than or equal to 20% of the initial commitment fixed by the financing decision.
- 6. All financing agreements or contracts concluded under this Regulation shall provide for the Commission and the Court of Auditors to conduct on-the-spot checks according to the usual procedures laid down by the Commission under the rules in force, in particular those of the Financial Regulation applicable to the general budget of the European Communities.
- 7. Where operations are the subject of financing agreements between the Community and the recipient country, such agreements shall stipulate that the payment of taxes, duties or any other charges is not to be covered by the Community.
- 8. 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.
- 9. 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 countries.
- 10. Particular attention will be given to:

AMENDED PROPOSAL

Article 7

- 1. The representative of Commission shall be assisted by the geographically determined Committee competent for development
- 2. The representative of the Commission shall submit to the committee a draft of the measures of a general nature 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 extent to which its opinion has been taken into account.

Article 8

1. The Commission shall be assisted by the Committee set up by Article 15 of Council Regulation (EEC) No 443/92 of 25 February 1992 (¹) (PVD-ALA), by the Committee set up by Article 11 of Council Regulation (EC) No 1488/96 of 23 July 1996 (MEDA) (²) or by the Committee set up by Article 21 of the Internal Agreement on the Financing and Administration of Community Aid under the Second Financial Protocol to the Fourth ACP-EC Convention of Lomé (³).

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2. Where reference is made to this paragraph, the advisory procedure laid down in Article 3 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) and Article 8 thereof.

Article 8

An exchange of views shall take place once a year on the basis of a presentation by the representative of the Commission of the general guidelines for the operations to be carried out in the year ahead, in the framework of a joint meeting of the committees referred to in Article 7(1).

Article 9

1. 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 over that period.

Deleted

Article 9

1. By 1 September after each budget year, the Commission shall submit an annual report to the European Parliament and the Council, summarising the activities financed in the course of that year, and evaluating the implementation of this Regulation over that period.

⁽¹⁾ OJ L 52, 27.2.1992, p. 1.

⁽²⁾ OJ L 189, 30.7.1996, p. 1-9.

⁽³⁾ Signed on 20.12.1995.

The summary shall in particular provide information about the nature and quantity of the projects financed and about those with whom contracts have been concluded. The report shall also indicate the number of external assessments carried out, if any, regarding specific activities.

- 2. The Commission shall regularly assess operations financed by the Community with a view to establishing whether the objectives aimed at by those operations have been achieved and to providing guidelines for improving the effectiveness of future operations. The Commission shall submit to the Committee referred to in Article 7 a summary of the assessments made which may, if appropriate, be examined by the Committee. The assessment reports shall be available to any Member State requesting them.
- 3. The Commission shall inform the Member States, at the latest one month after its decision, of the operations and projects that have been approved, stating their cost and nature, the recipient country and partners.
- 4. The financial guide specifying the guidelines and criteria applicable to the selection of projects shall be published and communicated to the interested parties by the Commission offices including Commission delegations in beneficiary countries.

Article 10

- 1. This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.
- 2. Four years after the entry into force of this regulation, the Commission shall submit to the European Parliament and to the Council an overall assessment of the operations financed by the Community under this regulation, together with suggestions concerning the future of this regulation.

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

AMENDED PROPOSAL

The summary shall in particular provide information about the number and nature of activities financed, the cooperation partners and the countries concerned. The report shall also indicate the number of external evaluations carried out regarding specific activities.

- 2. The Commission shall regularly evaluate activities financed by the Community with a view to establishing whether the objectives aimed at by those activities have been achieved and to providing guidelines for improving the effectiveness of future activities. The Commission shall submit to the Committee referred to in Article 8(1) a summary of the evaluations made. The evaluation reports shall be available, upon request, to any Member State and to the European Parliament.
- 3. The Commission shall inform the Member States, at the latest one month after its decision, of the activities that have been approved, stating their cost and nature, the country concerned and the cooperation partners.
- 4. A financing guide specifying the guidelines and criteria applicable to the selection of activities shall be published and communicated to the interested parties by the Commission services including Commission delegations in countries concerned.

Unchanged

2. Four years after the entry into force of this Regulation, the Commission shall submit to the European Parliament and to the Council an overall evaluation of the operations financed by the Community under this Regulation, in the context of overall Community development cooperation, together with proposals concerning the future of this Regulation, including its possible modification or termination.