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(Acts whose publication is obligatory)

**COUNCIL REGULATION (EC) No 381/2001
of 26 February 2001
creating a rapid-reaction mechanism**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 308 thereof,

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

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas:

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| <p>(1) Community policies in several of the world's regions cover development aid, macrofinancial aid, aid for economic, regional and technical cooperation, aid for reconstruction, aid for refugees and displaced persons and aid for operations to support the consolidation of democracy and the rule of law, respect for human rights and fundamental freedoms.</p> <p>(2) The aims of aid and cooperation programmes and/or the conditions for their proper execution may be jeopardised or directly affected by, <i>inter alia</i>, the emergence of situations of crisis or conflict, by impending or ongoing threats to law and order, to the security and safety of individuals.</p> <p>(3) In the report which it adopted on developing the European Union's non-military crisis-management capability, the European Council meeting in Helsinki on 10 and 11 December 1999 stressed in particular that rapid financing mechanisms such as the creation by the Commission of a Rapid Reaction Fund should be set up to allow the acceleration of the provision of finance to support EU activities, to contribute to operations run by other international organisations and to fund non-governmental organisation (NGO) activities, as appropriate.</p> <p>(4) Accordingly, it is important that provision be made for a mechanism that will underpin existing Community policies and programmes and enable the Community to take urgent action to help re-establish or safeguard normal conditions for the execution of the policies undertaken, in order to preserve their effectiveness.</p> | <p>(5) Such a mechanism must in particular, in accordance with accelerated decision-making procedures, facilitate the mobilisation and rapid deployment of specific financial resources.</p> <p>(6) The Council and the Commission are responsible for ensuring the coherence of the external activities conducted by the European Union in the context of its external relations, security, economic, social and development policies. In the abovementioned report, the European Council also emphasised that in order to be able to respond more rapidly and more effectively to emerging crisis situations, the Union needs to strengthen the responsiveness and efficiency of its resources and tools, as well as their synergy.</p> <p>(7) Activities covered by Council Regulation (EC) No 1257/96 of 20 June 1996 concerning humanitarian aid ⁽³⁾, ('ECHO Regulation') should not be funded under this Regulation.</p> <p>(8) There is a need for maximum transparency in all matters concerning the implementation of the Community's financial assistance as well as proper control of the use of appropriations.</p> <p>(9) The protection of the Community's financial interests and the fight against fraud and irregularities are taken account of in this Regulation.</p> <p>(10) The Treaty does not provide, for the adoption of this Regulation, powers other than those of Article 308,</p> |
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HAS ADOPTED THIS REGULATION:

Article 1

A mechanism is created, hereinafter referred to as 'the Rapid Reaction Mechanism', designed to allow the Community to respond in a rapid, efficient and flexible manner, to situations of urgency or crisis or to the emergence of crisis, under the conditions defined by this Regulation.

⁽¹⁾ OJ C 311 E, 31.10.2000, p. 213.

⁽²⁾ Opinion delivered on 17 January 2001 (not yet published in the Official Journal).

⁽³⁾ OJ L 163, 2.7.1996, p. 1.

Article 2

1. The Rapid Reaction Mechanism builds upon all the existing Community legal instruments listed in the Annex to this Regulation.

2. Actions which under normal circumstances fall within all the regulations and programmes listed in the Annex may be undertaken in the context of this Regulation if:

- (a) the action is intended to be immediate and cannot be launched within a reasonable time limit under the existing legal instruments, in view of the need to act rapidly;
- (b) the action is limited in time, as in accordance with the provisions of Article 8.

3. By derogation from paragraph 2, the activities covered by the ECHO Regulation, and eligible for funding thereunder, may not be funded under this Regulation.

In particular security or crisis-management circumstances, the Commission may, however, decide that intervention by means of the Rapid Reaction Mechanism is more appropriate if combined with ECHO action, as necessary. In such cases, close coordination shall be established in order to achieve optimal overall coherence.

4. The Council may, acting by qualified majority on a proposal from the Commission, amend the Annex.

Article 3

1. The Rapid Reaction Mechanism may be triggered when in the beneficiary countries concerned there occur situations of crisis or emerging crisis, situations posing a threat to law and order, the security and safety of individuals, situations threatening to escalate into armed conflict or to destabilise the country and where such situations are likely to jeopardise the beneficial effects of assistance and cooperation policies and programmes, their effectiveness and/or conditions for their proper implementation.

2. Actions of a civilian nature which fall within the scope of all areas of intervention of legal instruments listed in the Annex may be undertaken under the Rapid Reaction Mechanism to preserve or re-establish in situations of crisis or emerging crisis, the conditions of stability essential to the proper implementation and success of these aid, assistance and cooperation policies and programmes.

Article 4

1. Action under the Rapid Reaction Mechanism shall be decided by the Community in accordance with the provisions of this Regulation.

It shall be implemented by the Commission in accordance with the budgetary and other procedures in force, including those laid down in Articles 116 and 118 of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities⁽¹⁾.

⁽¹⁾ OJ L 356, 31.12.1977, p. 1. Regulation as last amended by Regulation (EC, ECSC, Euratom) No 2673/1999 (OJ L 326, 18.12.1999, p. 1).

2. Where the Commission intends to take action under this Regulation, and before taking a decision, it shall inform the Council thereof forthwith. In its subsequent implementation of the action, the Commission shall duly take into account the approach adopted by the Council, in the interests of the cohesion of EU external activities.

Article 5

1. Community financing under this Regulation shall take the form of grants.

2. The interventions covered by this Regulation shall be exempt from taxes, charges, duties and customs duties.

Article 6

1. Implementing partners eligible under this Regulation may include authorities of the Member States or of beneficiary countries and their agencies, regional and international organisations and their agencies, NGOs and public and private operators with appropriate specialised expertise and experience.

2. The Commission may conclude financial agreements or framework agreements with relevant government agencies, international organisations, NGOs and public or private operators on the basis of their ability to carry out rapid interventions in crisis management. In situations where unique personal expertise is needed, or where the credibility of the operation and the confidence of the parties is linked to a specific person or organisation, the Commission may sign contracts with individual organisations or operators, even if no framework agreement has been previously concluded.

3. After a financing Decision has been taken by the Commission in accordance with Article 4 and as soon as practically possible, a financial agreement shall be concluded with NGOs and public and/or private operators which have been chosen for conducting the intervention, on the basis of the respective framework agreements.

4. Non-governmental organisations eligible for financial agreements with a view to the implementation of interventions under this Regulation shall meet the following criteria:

- (a) be non-profit-making autonomous organisations;
- (b) have their main headquarters in a Community Member State or in the third country in receipt of Community aid.

In exceptional cases, their headquarters may be located in another third country.

5. When determining a private operator's or NGO's suitability for Community funding, account shall be taken of the following factors:

- (a) its administrative and financial management capacities;
- (b) its technical and logistical capacity in relation to the urgency of planned operations;
- (c) its experience in the field in question;
- (d) its readiness to take part, if need be, in any specific coordination system to be set up for conducting the intervention;
- (e) its record and guarantee of impartiality in the implementation of the tasks assigned to it.

Article 7

1. All financing contracts or agreements concluded under this Regulation shall provide for the Commission and the Court of Auditors to conduct on-the-spot checks according to the rules in force.
2. The Commission may carry out on-the-spot checks and inspections in conformity with Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities ⁽¹⁾. The measures taken by the Commission shall provide for adequate protection of the financial interests of the Community in conformity with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995, on the protection of the European Communities' financial interests ⁽²⁾.

Article 8

1. Each year the budgetary authority shall set an overall annual ceiling for the funding of interventions provided for under this Regulation, within the limits of the financial perspective.
2. The implementation period of any action under this Regulation shall be for a limited period which may not exceed six months.
3. In exceptional cases, in view of the specific nature of the crisis concerned or its intensity, the Commission may decide on supplementary action. This supplementary action shall comply with the same requirements as the initial action.

Article 9

1. The Commission shall inform the Council forthwith, following its decision, of the approved actions and projects, notably by indicating the amounts involved, their nature and the partners concerned. In addition, the Commission shall keep the Council informed of the implementation of these actions and projects and, where required, of their follow-up.
2. At the end of the six month period referred to in Article 8(2) and no later than their completion, the Commission shall assess the actions under this Regulation to establish whether

the objectives have been achieved and if necessary to adopt guidelines for improving the effectiveness of future intervention. Where required, this assessment shall also cover the follow-up to the actions in the context of existing Community regulations and programmes. The Commission shall inform the Council of the results of this assessment without delay.

Article 10

1. The Commission shall ensure that action taken under the Rapid Reaction Mechanism is effectively coordinated, including on-the-spot coordination, with action by the Member States, in order to increase the coherence, complementarity and effectiveness of the interventions. To that end, the Commission and the Member States shall exchange between themselves all useful information on the actions they implement or intend to implement.
2. The Commission shall promote coordination and cooperation with international and regional organisations. It shall ensure that the action taken under the Rapid Reaction Mechanism is coordinated and consistent with that of the international and regional organisations and agencies.
3. The necessary measures will be taken to give visibility to the Community's contribution.

Article 11

Before 31 December 2005, the Council shall review this Regulation. To that end, and at the latest six months beforehand, the Commission shall present to the Council an overall evaluation report of its implementation, together with any proposals for the future of the Regulation, where required, and, if needed, any proposals for amendments to it.

Article 12

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

It shall apply until 31 December 2006.

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

Done at Brussels, 26 February 2001.

For the Council

The President

A. LINDH

⁽¹⁾ OJ L 292, 15.11.1996, p. 2.

⁽²⁾ OJ L 312, 23.12.1995, p. 1.

ANNEX

'Geographical' Regulations/Decisions

- Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to the Republic of Hungary and the Polish People's Republic ⁽¹⁾.
- 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 ⁽²⁾.
- Council Regulation (EC) No 1734/94 of 11 July 1994 on financial and technical cooperation with the West Bank and the Gaza Strip ⁽³⁾.
- Council Regulation (EC) No 1488/96 of 23 July 1996 on financial and technical measures to accompany (MEDA) the reform of economic and social structures in the framework of the Euro-Mediterranean partnership ⁽⁴⁾.
- Council Regulation (EC, Euratom) No 99/2000 of 29 December 1999 concerning the provision of assistance to the partner States in Eastern Europe and Central Asia ⁽⁵⁾.
- Regulation (EC) No 1726/2000 of the European Parliament and of the Council of 29 June 2000 on development cooperation with South Africa ⁽⁶⁾.
- Council Regulation No 2666/2000 on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia, and the Former Yugoslav Republic of Macedonia, repealing Regulation (EC) No 1628/96 and amending Regulations (EEC) No 3906/89 and (EEC) No 1360/90 and Decisions 97/256/EC and 1999/311/EC ⁽⁷⁾.
- ACP Partnership Agreement signed in Cotonou on 23 June 2000 (pending ratification)
- Fourth ACP-EEC Convention ⁽⁸⁾: (text of the Agreement, Financial Protocol, Protocols 1 to 9 and Declarations)

'Sectoral' Regulations and Decisions (food aid, reconstruction, NGOs, etc.)

- Council Regulation (EC) No 1292/96 of 27 June 1996 on food-aid policy and food-aid management and special operations in support of food security ⁽⁹⁾.
- Council Regulation (EC) No 2258/96 of 22 November 1996 on rehabilitation and reconstruction operations in developing countries ⁽¹⁰⁾.
- Council Regulation (EC) No 443/97 of 3 March 1997 on operations to aid uprooted people in Asian and Latin American developing countries ⁽¹¹⁾.
- 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 developing countries ⁽¹²⁾.
- Council Regulation (EC) No 1659/98 of 17 July 1998 on decentralised cooperation ⁽¹³⁾.
- Council Decision 1999/25/Euratom of 14 December 1998 adopting a multiannual programme (1998 to 2002) of actions in the nuclear sector, relating to the safe transport of radioactive materials and to safeguards and industrial cooperation to promote certain aspects of the safety of nuclear installations in the countries currently participating in the TACIS programme ⁽¹⁴⁾.
- Council Regulation (EC) No 975/1999 of 29 April 1999 laying down the requirements for the implementation of development cooperation operations which contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms ⁽¹⁵⁾.

⁽¹⁾ OJ L 375, 23.12.1989. Regulation as last amended by Regulation (EC) No 2666/2000 (OJ L 306, 7.12.2000, p. 1).

⁽²⁾ OJ L 52, 27.2.1992, p. 1.

⁽³⁾ OJ L 182, 16.7.1994, p. 4. Regulation as last amended by Regulation (EC) No 2840/98 (OJ L 354, 30.12.1998, p. 14).

⁽⁴⁾ OJ L 189, 30.7.1996, p. 1. Regulation as last amended by Regulation (EC) No 2698/2000 (OJ L 311, 12.12.2000, p. 1).

⁽⁵⁾ OJ L 12, 18.1.2000, p. 1.

⁽⁶⁾ OJ L 198, 4.8.2000, p. 1.

⁽⁷⁾ OJ L 306, 7.12.2000, p. 1.

⁽⁸⁾ OJ L 229, 17.8.1991, p. 3. Convention as last amended by the Agreement signed at Mauritius on 4 November 1995 (OJ L 156, 29.5.1998, p. 3).

⁽⁹⁾ OJ L 166, 5.7.1996, p. 1.

⁽¹⁰⁾ OJ L 306, 28.11.1996, p. 1.

⁽¹¹⁾ OJ L 68, 8.3.1997, p. 1. Regulation as last amended by Regulation (EC) No 1880/2000 (OJ L 227, 7.9.2000, p. 1).

⁽¹²⁾ OJ L 213, 30.7.1998, p. 1.

⁽¹³⁾ OJ L 213, 30.7.1998, p. 6.

⁽¹⁴⁾ OJ L 7, 13.1.1999, p. 31.

⁽¹⁵⁾ OJ L 120, 8.5.1999, p. 1.

- Council Regulation (EC) No 976/1999 of 29 April 1999 laying down the requirements for the implementation of Community operations, other than those of development cooperation, which, within the framework of Community cooperation policy, contribute to the general objective of developing and consolidating democracy and the rule of law and to that of respecting human rights and fundamental freedoms in third countries ⁽¹⁾.
 - Council Regulation (EC) No 1080/2000 of 22 May 2000 on support for the United Nations Interim Mission in Kosovo (UNMIK) and the Office of the High Representative in Bosnia and Herzegovina (OHR) ⁽²⁾.
 - Council Decision 2000/474/EC of 17 July 2000 concerning the Community contribution to the International Fund 'Clearance of the Fairway of the Danube' ⁽³⁾.
 - Regulation (EC) No 2493/2000 of the European Parliament and of the Council of 7 November 2000 on measures to promote the full integration of the environmental dimension in the development process of developing countries ⁽⁴⁾.
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⁽¹⁾ OJ L 120, 8.5.1999, p. 8.

⁽²⁾ OJ L 122, 24.5.2000, p. 27.

⁽³⁾ OJ L 187, 26.7.2000, p. 45.

⁽⁴⁾ OJ L 288, 15.11.2000, p. 1.