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(Acts whose publication is obligatory)

**REGULATION (EC) No 625/2004 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
of 31 March 2004  
extending and amending Regulation (EC) No 1659/98 on decentralised cooperation**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

HAVE ADOPTED THIS REGULATION:

Having regard to the Treaty establishing the European Community, and in particular Article 179(1) thereof,

Having regard to the proposal from the Commission,

*Article 1*

Acting in accordance with the procedure laid down in Article 251 of the Treaty <sup>(1)</sup>,

Regulation (EC) No 1659/98 is hereby amended as follows:

Whereas:

1. Article 1 is replaced by the following:

- (1) Council Regulation (EC) No 1659/98 of 17 July 1998 on decentralised cooperation <sup>(2)</sup> was applied until 31 December 2001.
- (2) Regulation (EC) No 1659/98 was amended and extended until 31 December 2003 by Regulation (EC) No 955/2002 of the European Parliament and of the Council.
- (3) An evaluation completed in 2003 has led to the conclusion that the budget line concerned should be more focused.
- (4) The decentralised cooperation instrument has a specific added value for the purposes of supporting operations in specific situations and difficult partnerships where traditional instruments cannot be used or are not relevant, and in terms of the support it provides for the diversification of decentralised actors as potential partners in the development process.
- (5) Regulation (EC) No 1659/98 should be amended and extended until 31 December 2006 following the completion of the evaluation and the adoption of the Commission Communication on the participation of non-State actors in Community development policy. The financial framework and reference period indicated in that Regulation should be adjusted.
- (6) Regulation (EC) No 1659/98 should be amended accordingly,

*'Article 1*

The Community shall support operations and initiatives undertaken by decentralised cooperation agents of the Community and the developing countries centred on poverty reduction and sustainable development, particularly in situations involving difficult partnerships where other instruments cannot be used. Such operations and initiatives shall 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.

In supporting such operations and initiatives, priority shall be given to decentralised cooperation agents of the developing countries. All developing countries shall be eligible for operations to promote decentralised cooperation.'

2. Article 2 is amended as follows:

(a) the second indent is replaced by the following:

— information and the mobilisation of decentralised cooperation agents and participation in international fora to enhance dialogue on policy formulation,;

(b) the following indent is inserted after the third indent:

— strengthening the networks of social organisations and movements campaigning for sustainable development, human rights, in particular social rights, and democratisation,.'

<sup>(1)</sup> Opinion of the European Parliament of 18 December 2003 (not yet published in the Official Journal) and Council decision of 4 March 2004.

<sup>(2)</sup> OJ L 213, 30.7.1998, p. 6. Regulation as amended by Regulation (EC) No 955/2002 of the European Parliament and of the Council (OJ L 148, 6.6.2002, p. 1).

3. Article 3 is replaced by the following:

*'Article 3*

1. The cooperation partners eligible for financial support pursuant to this Regulation shall be decentralised cooperation agents in the Community or the developing countries, such as: local (including municipal) authorities, non-governmental organisations, organisations of indigenous peoples, local traders' associations and local citizens' groups, cooperatives, trade unions, economic and social actors organisations, local organisations (including networks) which are active in the area of regional decentralised cooperation and integration, consumer organisations, women's and youth organisations, teaching, cultural, research and scientific organisations, universities, churches and religious associations or communities, media and any non-governmental associations and independent foundations likely to contribute to development.

2. The activities of the agents associated with the objectives of this Regulation shall be transparent and comply with the principles of sound financial management and accountability.'

4. Article 4 is replaced by the following:

*'Article 4*

Community financing of the operations referred to in Article 1 shall cover a period of three years. The financial framework for the implementation of this programme for the period 2004 to 2006 shall be EUR 18 million.

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

5. Article 7 is amended as follows:

(a) in paragraph 2 'ECU' is replaced by 'EUR';

(b) the following indent is added to paragraph 3:

— particular needs of countries where official cooperation is unable to contribute significantly to the objectives defined in Article 1.'

6. Article 8(1) is replaced by the following:

'1. The Commission shall be assisted by the Committee set up in accordance with Article 8 of 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 the developing countries (hereinafter referred to as "the Committee"). (\*)

(\*) OJ L 213, 30.7.1998, p. 1. Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).'

7. Article 10 is amended as follows:

(a) the first paragraph is replaced by the following:

'As part of the annual report to the European Parliament and the Council on the implementation of development policy, the Commission shall present a summary of the operations financed, the impacts and results of such operations and an independent evaluation of the implementation of this Regulation during the year, as well as details of the decentralised cooperation actors with whom contracts have been concluded.;

(b) in the second paragraph 'ECU' is replaced by 'EUR'.

8. The second paragraph of Article 13 is replaced by the following:

'It shall apply until 31 December 2006.'

*Article 2*

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

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

Done at Strasbourg, 31 March 2004.

*For the European Parliament*

*The President*

P. COX

*For the Council*

*The President*

D. ROCHE