

II

(Preparatory Acts)

COMMISSION

Proposal for a Council Regulation (EC) on measures to promote the full integration of the environmental dimension in the development process of developing countries

(1999/C 47/06)

COM(1999) 36 final — 1999/0020(SYN)

(Submitted by the Commission on 28 January 1999)

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,

Having regard to the opinion of the Economic and Social Committee,

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

(1) Whereas 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) Whereas 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) Whereas 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';

(4) Whereas the Community and its Member States are parties to Multi-lateral 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;

(5) Whereas 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;

(6) Whereas 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;

(7) Whereas 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;

(8) Whereas the European Council, held in Cardiff in June 1998, welcomed the Commission Communi-

⁽¹⁾ Decision No 2179/98/EC (OJ L 275, 10.10.1998, p. 5).

cation '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;

- (9) Whereas the Council and the Member States adopted on 15 July 1996 a resolution on Environmental Assessment in Development Cooperation;
- (10) Whereas sustainable development relies on the genuine integration of an environmental dimension into the development process;
- (11) Whereas, 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) Whereas the financial instruments available to the Community for sustainable development in developing countries could be usefully supplemented;
- (13) Whereas 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) Whereas measures need to be taken to finance the activities covered by this Regulation;
- (15) Whereas 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;

HAS 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.

2. The assistance and expertise provided under this Regulation shall complement and reinforce those provided under other instruments of development co-operation.

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.

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;
- transboundary environmental issues, in particular air and water pollution;
- environmental impacts related to the integration of developing countries into the world economy;
- environmental impacts of macro-economic and sectoral policies in developing countries;
- sustainable management and use of natural and environmental resources in all productive sectors of the economy;
- conservation of biological diversity, the sustainable use of its components, and the fair and equitable sharing of the benefits arising from the utilisation of genetic resources;
- water-related issues;
- coastal zone management;
- desertification;
- urban environment problems relating *inter alia* to solid and liquid waste, air pollution and noise, and the quality of drinking water;

⁽¹⁾ OJ L 108, 25.4.1997, p. 1.

- sustainable production and use of energy;
- sustainable patterns of production and consumption.

3. Activities eligible for financing include:

- pilot projects in the field including those involving environmentally-sound technologies adapted to local constraints and needs;
- 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;

- the elaboration of policies, plans and strategies for sustainable development;

- the formulation of guidelines and operational manuals aimed at promoting sustainable development and environmental integration;

- support to the development and application of environment assessment tools in the preparation and implementation of policies, strategies, programmes and projects;

- inventory, accounting and statistical work, in order to improve environmental data and environmental indicators;

- 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;

- support to multilateral processes.

4. Particular attention will be given to:

- the linkage with the overall objective of poverty alleviation;
- local initiatives involving innovative measures aimed at sustainable development;
- active involvement and support 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;

- the potential for integration into the wider context of Community development cooperation policies and programmes;

- the internalisation of environmental costs, including through economic instruments.

5. Lesson-learning and dissemination of the results of the activities carried out will be essential elements of implementing this regulation.

Article 3

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

Article 4

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 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).

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.

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.

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.

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.

Article 7

1. The representative of the 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

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.

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 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.
