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TEXTS ADOPTED**P6_TA(2007)0277****MEDA and financial support to Palestine — evaluation, implementation and control****European Parliament resolution of 21 June 2007 on MEDA and financial support to Palestine — evaluation, implementation and control (2006/2128(INI))***The European Parliament,*

- having regard to the Barcelona Declaration adopted at the Euro-Mediterranean Conference on 28 November 1995 which initiated the Euro-Mediterranean partnership ⁽¹⁾,
- having regard to Council Regulation (EC) No 1488/96 of 23 July 1996 on financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership ⁽²⁾ (the 'MEDA Regulation'),
- having regard to Council Regulation (EC) No 2698/2000 of 27 November 2000 amending Regulation (EC) No 1488/96 (the 'MEDA II Regulation') ⁽³⁾,
- having regard to its resolution of 1 February 2001 on the Communication from the Commission to the Council and the European Parliament to prepare the fourth meeting of Euro-Mediterranean foreign ministers 'reinvigorating the Barcelona Process' ⁽⁴⁾,
- having regard to its resolution of 3 June 2003 on the annual report on the MEDA 2000 programme ⁽⁵⁾,
- having regard to its resolution of 20 November 2003 on Euromed ⁽⁶⁾,
- having regard to its resolutions of 12 February 2004 on reinvigorating EU actions on human rights and democratisation with Mediterranean partners ⁽⁷⁾ and of 27 October 2005 on the Barcelona Process revisited ⁽⁸⁾,
- having regard to the political priorities for the European Parliament Presidency of the Euro-Mediterranean Parliamentary Assembly, formulated on 21 April 2005 ⁽⁹⁾,
- having regard to its resolution of 19 January 2006 on the European Neighbourhood Policy ⁽¹⁰⁾,

⁽¹⁾ http://ec.europa.eu/comm/external_relations/euromed/bd.htm

⁽²⁾ OJ L 189, 30.7.1996, p. 1. Repealed by Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (OJ L 310, 9.11.2006, p. 1).

⁽³⁾ OJ L 311, 12.12.2000, p. 1.

⁽⁴⁾ OJ C 267, 21.9.2001, p. 68.

⁽⁵⁾ OJ C 68 E, 18.3.2004, p. 134.

⁽⁶⁾ OJ C 87 E, 7.4. 2004, p. 500.

⁽⁷⁾ OJ C 97 E, 22.4.2004, p. 656.

⁽⁸⁾ OJ C 272 E, 9.11.2006, p. 570.

⁽⁹⁾ http://www.europarl.europa.eu/intcoop/empa/home/politicalpriorities_en.pdf

⁽¹⁰⁾ OJ C 287 E, 24.11.2006, p. 312.

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- having regard to its position of 6 July 2006 on the proposal for a regulation of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument ⁽¹⁾,
- having regard to Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument ⁽²⁾,
- having regard to the Communication of 4 December 2006 from the Commission to the Council and the European Parliament on Strengthening the European Neighbourhood Policy (COM(2006)0726),
- having regard to the final report of 18 July 2005 on the Mid-term Evaluation of the MEDA II Programme ⁽³⁾,
- having regard to the Annual Report 2006 on the European Community's development policy and the implementation of external assistance in 2005 ⁽⁴⁾,
- having regard to the European Court of Auditors' Special Report No 5/2006 concerning the MEDA Programme ⁽⁵⁾,
- having regard to the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Annual Report 2005 of 26 June 2006 ⁽⁶⁾,
- having regard to the Communication of 17 October 2006 from the Commission to the Council entitled 'Assessment of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) and Future Options' (COM(2006)0592),
- having regard to the strategic partnership for the Mediterranean and the Middle East, adopted by the European Council in December 2006 ⁽⁷⁾,
- having regard to the Council Decision 2002/817/EC of 23 September 2002 on the conclusion of the Convention between the European Community and the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) concerning aid to refugees in the countries in the Near East (2002 to 2005) ⁽⁸⁾,
- having regard to its resolution of 23 October 2003 on peace and dignity in the Middle East ⁽⁹⁾,
- having regard to Regulation (EC) No 669/2004 of the European Parliament and of the Council of 31 March 2004 amending Council Regulation (EC) No 1734/94 on financial and technical cooperation with the West Bank and the Gaza Strip ⁽¹⁰⁾,
- having regard to its resolution of 2 February 2006 on the result of the Palestinian elections and the situation in East Jerusalem ⁽¹¹⁾,

⁽¹⁾ Texts Adopted, P6_TA(2006)0306.

⁽²⁾ OJ L 310, 9.11. 2006, p. 1.

⁽³⁾ http://ec.europa.eu/europeaid/reports/meda-evaluation-midterm-report-2005_en.pdf

⁽⁴⁾ http://ec.europa.eu/europeaid/reports/europeaid_annual_report_2006_full_version_en.pdf

⁽⁵⁾ OJ C 200, 24.8.2006, p. 1. http://eca.europa.eu/audit_reports/special_reports/docs/2006/rs05_06en.pdf

⁽⁶⁾ <http://www.eib.org/publications/publication.asp?publ=257>

⁽⁷⁾ Presidency Conclusions of the Brussels European Council (14/15 December 2006), Council Document 16879/06.

⁽⁸⁾ OJ L 281, 19.10.2002, p. 10.

⁽⁹⁾ OJ C 82 E, 1.4.2004, p. 610.

⁽¹⁰⁾ OJ L 105, 14.4.2004, p. 1.

⁽¹¹⁾ OJ C 288 E, 25.11.2006, p. 79.

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- having regard to the statements of 30 January 2006 ⁽¹⁾ and 9 May 2006 ⁽²⁾ of the Middle East Quartet (composed of representatives of the EU, the UN, the United States and Russia) in which it expressed serious concern about the deteriorating situation in the Palestinian territories and expressed its willingness to endorse a temporary mechanism for direct aid to the Palestinian people,
 - having regard to the Council conclusions on the Middle East Peace Process of the General Affairs and External Relations Council of 15 May 2006 ⁽³⁾ in which the Council expressed its serious concern about the deterioration of the humanitarian, economic and financial situation in the West Bank and Gaza and welcomed the willingness of the Quartet to endorse a temporary international mechanism (TIM), the objective of which is direct delivery and supervision of assistance to the Palestinian people,
 - having regard to its resolution of 1 June 2006 on the humanitarian crisis in the Palestinian territories and the role of the EU ⁽⁴⁾,
 - having regard to its resolution of 7 September 2006 on the situation in the Middle East ⁽⁵⁾,
 - having regard to the report of its *ad hoc* delegation to Israel and the Palestinian Territories on 20-21 December 2006,
 - having regard to the report of 31 January 2007 of the UK House of Commons' International Development Committee entitled 'Development Assistance and the Occupied Palestinian Territories' ⁽⁶⁾,
 - having regard to the report of February 2007 of the World Bank entitled 'West Bank and Gaza — Public Expenditure Review — From Crisis to Greater Fiscal Independence' ⁽⁷⁾,
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Foreign Affairs (A6-0210/2007),
- A. whereas the MEDA Programme is the EU's principal financial instrument for the implementation of the Euro-Mediterranean partnership supporting measures to accompany the reform of economic and social structures in the Mediterranean partner countries in order to decrease the gap between the two sides of the Mediterranean region,

⁽¹⁾ http://www.un.org/news/dh/infocus/middle_east/quartet-30jan2006.htm

⁽²⁾ http://www.un.org/news/dh/infocus/middle_east/quartet-9may2006.htm

⁽³⁾ Council Document 9397/06, <http://register.consilium.europa.eu/pdf/en/06/st09/st09397.en06.pdf>

⁽⁴⁾ Texts Adopted, P6_TA(2006)0237.

⁽⁵⁾ Texts Adopted, P6_TA(2006)0348.

⁽⁶⁾ <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmintdev/114/114i.pdf>

⁽⁷⁾ Report No 38207-WBG, Volumes 1 and 2.

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- B. whereas the main areas of intervention of the MEDA Programme are directly derived from the objectives of the 1995 Barcelona Declaration, which have been reaffirmed on several occasions:
- political and security chapter: hold a political dialogue at both bilateral and regional levels, establish partnership-building measures and agree on a Charter for Peace and Stability, the overall objective is to create an area of peace and stability on the basis of the principles of human rights and democracy;
 - economic and financial chapter: establish a free trade area in the Euro-Mediterranean region (North-South, South-South), provide EU financial support for economic transition and more general support for the economic and social challenges, increase investment flows to the Mediterranean partners as the result of free trade, the overall objective is to create an area of shared prosperity and development;
 - social, cultural and human affairs chapter: create exchanges, develop human resources, support civil societies and social development, the overall objective is to develop a free and enhanced civil society and to promote mutual comprehension between the two sides,
- C. whereas the average annual commitments are similar under MEDA I and MEDA II, at EUR 613 million and EUR 618 million respectively, and the indications for 2005-2006 show that such commitments will be increased to about EUR 660 million,
- D. whereas MEDA II was scheduled to provide EUR 5 350 million from 2000 to 2006 for the Euro-Mediterranean partnership,
- E. whereas the annual commitments under MEDA II varied between EUR 569 million (2000) and EUR 817 million (2006), and whereas from MEDA I to MEDA II commitments increased for Algeria, Palestinian Territories, Jordan, Morocco, Syria and Tunisia and for the regional activities, and decreased for Egypt and Lebanon,

(in million EUR)

Commitments per country														
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Total MEDA I	Total MEDA II
Algeria	0	0	41	95	29	30	60	50	42	51	40	66	165	339
Egypt	0	75	203	397	11	13	0	78	104	159	110	129	685	593
Jordan	7	100	10	8	129	15	20	92	43	35	58	69	254	332
Lebanon	0	10	86	0	86	0	0	12	44	18	27	32	182	133
Morocco	30	0	236	219	176	141	120	122	143	152	135	168	660	980
Syria	0	13	42	0	46	38	8	36	1	53	22	22	101	180
Tunisia	20	120	138	19	132	76	90	92	49	22	118	71	428	517
WBG	3	20	41	5	42	97	0	100	81	73	80	92	111	522
Total bilateral	60	337	797	743	650	409	298	582	505	562	590	649	2 587	3 596
Regional	113	33	114	66	145	160	305	29	110	135	145	168	471	740
Total	173	369	912	809	802	569	603	612	615	698	735	817	3 057	4 336

Source: EuropeAid Office (WBG = West Bank and Gaza).

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- F. whereas under MEDA II new sectors include justice and police, civil society/human rights and migration; whereas other sectors which received a marked increase in funding include education and training and economic institutional support, but for other sectors such as agriculture, local development and private reforms less funds were committed under MEDA II than under MEDA I,
- G. whereas the MEDA II Regulation specifies that European Investment Bank (EIB)-managed operations may receive EU funds from the MEDA budget for environmental projects and for implementing risk-capital operations in the Mediterranean partner countries; whereas the total volume of EIB operations under MEDA II remains comparable to that under MEDA I but their composition has changed, with a significant decrease of risk subsidy programmes and an increase of risk capital operations,

EIB: FEMIP assigned lending mandate			
1995-1999	EUR 4 808 million	2000-2007	EUR 6 400 million

Source: DG RELEX.

- H. whereas the EIB's operations in the Mediterranean partner countries have been brought together under the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) since October 2002;
- I. whereas the MEDA Regulation came to an end in 2006 and the new European Neighbourhood and Partnership Instrument entered into effect in 2007,
- J. whereas from 1994 to 2006 the Commission has provided about EUR 2 300 million to the Palestinian people, including support for Palestinian refugees via UNRWA, humanitarian assistance through the European Community Humanitarian Office (ECHO), food security, Middle East Peace Process actions, and support for health, education and institution building,
- K. whereas payments to Palestinian areas have been quite stable at between EUR 233 and 260 million per year from 2002 to 2005 and varying commitment rates reflect the difficult nature of the Peace Process, but the payment/commitment ratio has increased from less than 45 % in 2000 to more than 90 % in 2005,

AID TO PALESTINIAN ADMIN. AREAS FINANCED BY THE GENERAL BUDGET 2000-2006

(in million EUR)

Commitments									
Geogr./Thematic	Programme	2000	2001	2002	2003	2004	2005	2006	Grand total
Geographic programmes	MEDA	119	0	105	93	74	92	102	483
	UNRWA	40	57	55	58	61	64	64	335
	Israel/PLO Peace Agreement	20	43	88	47	51	51	56	300
Geographic total		179	100	248	198	186	207	222	1 118

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Commitments									
Geogr./Thematic	Programme	2000	2001	2002	2003	2004	2005	2006	Grand total
Thematic programmes	<i>Food Aid</i>	16	17	35	24	24	29	26	145
	<i>Human Rights</i>	2	1	3	0,5	2,5	4	1	13
	<i>NGO</i>	2,5	1	1,5	4	5	0	2	14
	<i>ECHO</i>	18	26	35	38	37	36	84	190
	<i>Other</i>	7	4	5	0	1	1	0	18
Thematic total		45,5	49	79,5	66,5	69,5	70	113	380
Grand total		224,5	149	327,5	264,5	255,5	277	335	1 832
Total EC commitments 2000-2006 = EUR 1 832 million (excluding CFSP actions, approx. EUR 10 million in 2006).									

Sources: DG Budget, DG AIDCO.

(in million EUR)

Payments								
Geogr./Thematic	Programme	2000	2001	2002	2003	2004	2005	Grand total
Geographic programmes	MEDA	31	62	81	59	93	94	420
	UNRWA	40	54	57	58	60	60	329
	Israel/PLO peace agreement	13	48	80	66	58	50	315
Geographic total		84	164	218	183	211	204	1 064
Thematic programmes	Food Aid	0	2	7	15	17	32	73
	Human Rights	2	0	1	0	3	4	10
	NGO	0	2	2	2	1	3	10
	ECHO	6	9	14	33	31	14	107
	Other	5	1	4	0	0	3	13
Thematic total		13	14	28	50	52	56	213
Grand total		97	178	246	233	263	260	1 277

Source: DG Budget.

- L. whereas the European Anti-Fraud Office (OLAF) closed in March 2005 its investigation into the Commission's direct assistance to the Palestinian Authority's budget and, on the basis of the information available in OLAF's press release of 17 March 2005, no conclusive evidence of support of armed attacks or unlawful activities financed by Commission's contributions to the Palestinian Authority was

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found; whereas, however, according to the press release, 'there are consistent indications to support the hypothesis that it cannot be excluded that some of the assets of the Palestinian Authority may been used by some individuals for other than the intended purpose',

- M. whereas the Middle East and North Africa Region Social and Economic Development Group of the World Bank has thoroughly analysed the Palestinian Authority's public finances and delivered its conclusions and recommendations in February 2007,
- N. whereas Israel has withheld Palestinian tax and customs revenues of about EUR 50 million per month, representing approximately two-thirds of the public income, since the Hamas victory in the elections to the Palestine Legislative Council in January 2006,
- O. whereas the Quartet addressed on 9 May 2006 the humanitarian situation in the Palestinian territories and in the face of the seriousness of that situation and the enormous problems of the Palestinian people asked the EU to develop and propose a temporary international mechanism (TIM) which would be limited in scope and duration, operate in a transparent manner, be accountable and ensure direct delivery of assistance to the Palestinian people,
- P. whereas the EU (EU budget and EU Member States) allocated almost EUR 700 million to Palestine in 2006, more than in any previous year;
- Q. whereas the TIM was subsequently developed by the Commission and endorsed by the European Council on 16 June 2006,
- R. whereas in 2006 the Commission allocated a total of EUR 107,5 million to the three TIM 'windows' of support:
- EUR 10 million for essential supplies and running costs of hospitals and health care centres, through the World Bank's Emergency Services Support Programme (Window I),
 - EUR 40 million for the uninterrupted supply of energy utilities including fuel, through the Interim Emergency Relief Contribution (Window II),
 - EUR 54,5 million to support vulnerable Palestinians, through the payment of social allowances to the poorest part of the population and to key workers delivering essential public services (Window III),
 - in addition to the TIM, EUR 12 million have been allocated from the MEDA budget line 19 08 02 01 by the Commission to the Office of the President of the Palestinian Authority, for technical assistance and capacity building,

(in million EUR)

Cost and financing of the TIM in 2006		
	EC budget	+ donors
TIM — Window II (Interim Emergency Relief Contribution (IERC) Phase II)	40	
Total on heading 19 08 02 01 (MEDA)	40	
TIM — Window I (World Bank Emergency Services Support Project (ESSP))	10	+ 46,6
TIM — Window III (payment of social allowances)	57,5	+ 61,9
Total on heading 19 08 03 (Peace Process)	67,5	
Total on both headings	107,5	

Source: DG AIDCO.

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S. whereas fighting between Hamas and Fatah supporters in early 2007 made TIM operations extremely difficult,

1. Confirms the conviction expressed in its resolution of 27 October 2005 on the Barcelona Process revisited that even if the Euro-Mediterranean partnership has not as yet produced the expected benefits and has not contributed to the lowering of tensions in the area to its full potential, improvements can still be made and thus the Barcelona Process continues to be the appropriate framework for Mediterranean policy, in which changes and the necessary political will are needed to obtain better results;

2. Notes that taking a global strategic view the relevance of the MEDA Programme as the Community assistance instrument supporting the Barcelona Process and the bilateral association agreements was judged to be satisfactory according to the 'overall judgement' of the mid-term evaluation of the MEDA II Programme which also states that programme relevance has improved from the MEDA I to the MEDA II period and can improve further in the coming years;

3. Underlines that the effectiveness and efficiency of MEDA management and implementation arrangements is improving but is still not fully satisfactory;

4. Notes that in terms of financial efficiency the total MEDA II Programme has disbursed funds faster than did MEDA I: over a similar period as during MEDA I it took on average three years to reach a 30 % payment level, whereas during MEDA II this was reduced to two years;

(in million EUR)

MEDA COMMITMENTS/DISBURSEMENTS 1995-2005						
	1995 to 1999		2000 to 2006		1995 to 2006	
	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements
<i>Bilateral</i>						
Algeria	164	30	339	142	504	172
Egypt	686	157	592	695	1279	852
Jordan	254	108	331	345	585	454
Lebanon	182	1	133	182	315	183
Morocco	660	128	980	917	1 640	1 045
Syria	101	0	180	91	281	91
Tunisia	428	168	518	489	946	657
WBG	111	59	522	486	633	546
<i>Total bilateral</i>	2 586	651	3 595	3 349	6 182	4 000
<i>Regional</i>	471	223	1 052	712	1 483	934
Total	3 057	874	4 647	4 060	7 705	4 934
The total amount available under MEDA I and II = 3 424 + 5 350 = EUR 8 774 million. From this an amount of about EUR 852 million was committed for Turkey during 1996 to 2002 (minor differences are due to rounding).						

Source: EuropeAid (WBG = West Bank and Gaza).

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5. Notes that according to the Court of Auditors' Special Report 5/2006 the Commission's management of the MEDA Programme has clearly improved since the early years and can be considered as satisfactory taking into account procedural and external constraints, and programming efforts have resulted in a more even allocation of resources over time; preparation periods are becoming shorter and disbursements have increased significantly;

6. Stresses the fact that the findings of the mid-term evaluation of the MEDA II Programme and of the Court of Auditors on implementation and management effectiveness and efficiency — 'improving but still not fully satisfactory' — cannot by themselves explain the differences in MEDA performance between countries and programmes; notes that external factors (financial regulation, governance, cultural factors) clearly play an important role in explaining the observed differences in speed of change and in financial disbursement patterns; invites the Commission to take these factors into consideration in its planning and in implementation, monitoring and evaluation;

7. Invites the Commission and the Council to give high priority to the Barcelona Process as a driving force for policy setting under the European Neighbourhood Policy Instrument (period 2007-2013) with more efficient policies and measures having regard to the specific challenges and problems of the Mediterranean partner countries;

8. Recalls that according to Article 15 of the MEDA II Regulation the Commission has, together with the EIB, to produce an overall evaluation report of the assistance already provided to the Mediterranean partners, including the effectiveness of the programmes, evaluate ex post their respective projects and main sectors of intervention and examine progress in implementation, and submit to the Parliament and the Council an annual report, no later than 30 June of the following year; with respect to this obligation, invites the Commission to inform it of the current stage of elaboration of such ex post evaluations by individual projects and sectors, and to transmit these and the latest annual reports to the Parliament and the Council;

9. Urges the Commission to take into consideration the factors contributing to the improvement of future management:

- (a) an increase in the number of projects and programmes, in parallel with the evaluation of their content, their effect and their qualitative value;
- (b) a larger share of budget support in the total programme;
- (c) the overall positive effect of devolution of responsibilities from the Commission's headquarters to its delegations in the field in relation to project preparation and implementation (effects of decentralisation);
- (d) the cooperation and effective participation of the local authorities;
- (e) the enhancement of cooperation between the Mediterranean partner countries (South-South) for the achievement of the objective of regional dimension;

10. Believes that other improvements include more systematic monitoring and evaluation and more intensive dialogue and coordination with local counterparts and other donors; invites the Commission to secure more regular monitoring mechanisms adapted to each type of project;

11. Agrees with the Court of Auditors on the need for the Commission to:

- (a) ensure a smooth and quick transition towards the new country programmes to avoid negative consequences for future implementation,
- (b) define more clearly in the new country programming documents its strategic objectives and establish appropriate indicators, to allow for better monitoring and evaluation of impact,

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- (c) continue to focus its support on a limited number of intervention areas to ensure coherence and to keep the programmes manageable,
- (d) continue to search for best practices in managing projects to avoid delays.

12. Supports the 19 recommendations of the mid-term evaluation of the MEDA II Programme regarding the relevance, effectiveness and efficiency of the management of the MEDA Programme;

13. Calls on the Commission to maintain a balance between the effectiveness of assistance in terms of sustainable institutional development and the efficiency of assistance in terms of absorption capacity and financial disbursement speeds, transparency and budget management control;

14. Calls on the Commission to further improve the quality of strategic and indicative programming by investing in a MEDA knowledge centre for in-depth understanding of implementation conditions and the institutional speed of changes aspects in the MEDA countries, as suggested by the mid-term evaluation in view of the revision of the regulation (European Neighbourhood and Partnership Instrument);

15. Takes the view that the economic aspect of the partnership must be redirected towards social cohesion and sustainable economic development but also considers that pursuing all objectives of the Barcelona Process is important for the whole region; therefore invites the Commission to pay as much attention as possible to the issues of institution building, the rule of law, freedom of the press, human rights and gender equality;

16. Invites the Commission to motivate and commit its partners in the MEDA countries to pursue also all non-economic objectives of the MEDA Programme, and to systematically monitor indicators concerning these objectives;

17. Considers that, in view of the Mediterranean partner countries' economic situation, significant support is required for infrastructure projects, particularly in the fields of transport, health, housing and the supply of drinking water;

18. Recommends that the Commission increase the capacity to manage small-scale projects based on civil society initiatives and recommends the adoption of measures to enhance economic growth and cohesion, in particular through the use of loans and micro-credit facilities by small and medium-sized enterprises in the partner countries;

19. Stresses that respect of the principle of gender equality is a matter of respect of human rights and of democracy and calls for gender mainstreaming to be explicitly incorporated horizontally in the Barcelona Process and in the three pillars of the partnership;

20. Underlines the fact that women play a significant role in the economic and social development of the partner countries and calls on the Commission to report on the fulfilment and effective application of the financial commitments laid down in the MEDA Programme to support women's active participation in economic and social life (education, training, employment);

21. Recalls the significance of enhancing the complementarity and coherence between MEDA, other EU external actions and EIB activities;

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22. Considers that the Euro-Mediterranean Parliamentary Assembly could play through inter-parliamentary dialogue a key role in the improvement of the Euro-Mediterranean partnership, as it subsequently develops stable inter-parliamentary relations, giving political orientations through its declarations and resolutions and promoting a systematic political control and evaluation of the implementation of the MEDA Programme;

23. Welcomes the establishment in 2002 of FEMIP within the framework of the EIB, but calls for further discussion between the EU Member States and their Euro-Mediterranean partners with the aim of developing this initiative into a genuine financial instrument for cooperation, responding to the new needs and challenges of both the public and private sector;

24. Recalls that the task division between DG Relex and EuropeAid is functional in the sense that the political dimension of the programme is separate from the professional assistance formulation and delivery function and that there is, however, scope for improvement in terms of efficiency and effectiveness;

25. Acknowledges the progress made by the Commission in ensuring a higher profile for Community external cooperation and urges it to continue the efforts currently being made; deplores, however, the fact that the public is not aware of the EU's close involvement in many projects and programmes; calls on the Commission to make representations to international organisations and NGOs with a view to:

- (a) ensuring public awareness of EU contributions and involvement,
- (b) laying down provisions enabling proper assessment, audit and control operations to be carried out also in connection with projects and programmes conducted jointly with or through international organisations or NGOs;

26. Recalls its resolution of 1 June 2006 on the humanitarian crisis in the Palestinian territories and the role of the EU in which it called on the Commission and the Council to develop a temporary international mechanism (TIM) in order to avoid a major humanitarian crisis in these territories; recalls having welcomed, following the recommendations of the European Council and the Quartet in June 2006, the setting-up by the EU of the TIM for the Palestinian Authority and its subsequent renewal;

27. Notes that this financial stopgap measure made it possible, in a transparent manner and in partnership with the President of the Palestinian Authority, to limit the most egregious humanitarian suffering caused by the freezing of European and international financial aid, Israel's partial payment of Palestinian tax and customs revenues and the general impossibility of developing a viable economy in the current occupation situation;

28. Congratulates the Commission on the design and implementation of the TIM under difficult circumstances and considers the administrative cost of the TIM at the level of 5 % for Windows II and III⁽¹⁾ as modest, and the method of direct payment via commercial banks to the beneficiary households adequate; underlines moreover that under Window III the international and locally operating bank (HSBC) receives EUR 8 per transfer (3 % of the total allocated amount);

29. Underlines that payments under the TIM did not go to, or through, the Office of the President of the Palestinian Authority or the Ministry of Finance, but that it provided for direct payment of invoices, or for cash payments to individual beneficiaries of allocations; notes that allocations did not cover security staff or support to politicians;

⁽¹⁾ Source: Communication of 4 June 2007 from DG AIDCO, Unit Finance, Contracts and Audit for Europe, the Mediterranean and the Middle East: TIM Windows II and III — Summary of Allowances and Bank Fees.

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30. Regrets however, that this financial assistance did not compensate for the tragic situation in Palestine and that conditions worsened in the past months in economic, social and human terms⁽¹⁾;

31. Welcomes the fact that through the TIM and without the involvement of the Hamas-led Government more than 140 000 low income households comprising more than 800 000 persons could be provided directly with modest but helpful allocations under Window III, and that the operation of hospitals and other basic services could be prevented from complete breakdown due to the TIM's support for the uninterrupted supply of essential services under Window II;

32. Regrets however the slow implementation of TIM Window I supporting the provision of essential supplies and running costs for hospitals through the World Bank's Emergency Services Support Programme (ESSP); notes that the first delivery of medicines under the ESSP took place only on 24 January 2007, to Gaza hospitals; invites the Commission to analyse the reasons for these delays and to suggest alternatives to ensure the timely implementation of the objectives of TIM Window I;

33. Stresses that the control mechanisms and internal audit put in place by the Palestinian Authority in 2003 constitute a solid guarantee against fraud and corruption;

34. Reiterates its call on Israel to abide by its legal obligations by resuming transfers of withheld Palestinian tax and customs revenue; invites Israel, if it refuses to do so, at least to consider channelling the withheld tax into the TIM and in this way to enable the Palestinian people to satisfy their basic needs; invites Israel to contribute to the need of the Palestinian people to create a viable and autonomous economy and to stop placing unjustified obstacles in the way of this objective;

35. Takes note of the sound analytical work reflected in the World Bank's public expenditure review on West Bank and Gaza; welcomes the fact that according to this review the Palestinian Authority has achieved progress notably in the educational and health sectors, as compared to other Middle East and North African countries, and in governance and public financial management where the Palestinian Authority has implemented a host of reforms between 2002 and 2004 that have reduced corruption and improved transparency; invites all involved parties to reactivate the reform process and thereby seriously consider the detailed recommendations of the World Bank's report, notably those concerning civil service reform and public financial management including financial control and audit;

36. Welcomes the fact that among the objectives and commitments (for example a recent agreement with an international audit firm) of the Ministry of Finances are the aims of reform of public finance and of full transparency and accountability, including the observance of international accounting standards;

37. Invites all parties within the Palestinian areas to do their utmost to settle conflicts peacefully and to form and maintain a stable and effective government, able to cooperate with the international community and to use effectively the EU's and international donor's funding;

38. Welcomes the Council decision of 18 June 2007 asking the EU to resume normal relations with the Palestinian Authority immediately in order to develop the conditions for urgent practical and financial assistance, including direct financial support to the new government, as well as to ensure the provision of emergency and humanitarian assistance to the population of Gaza (via, especially, the TIM);

⁽¹⁾ Report of the Parliament's delegation for relations with the Palestinian Legislative Council on its mission to East Jerusalem, Ramallah and Gaza on 29 April — 3 May 2007; West Bank and Gaza Public Expenditure Review: 'From Crisis to Greater Fiscal Independence' — World Bank Document, February 2007.

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39. Considers it important for the purposes of the maintenance of public order that security forces committed to peace and stability are trained and equipped including with police arms; considers that the financing of such training and equipment must be carried out with appropriate safeguards, under the authority of the President of the Palestinian Authority, Mahmoud Abbas, so as to avoid funds being used for other purposes or illegal acts; underlines that not paying the salaries of civil servants, including the security forces, contributes to the deterioration of the political, social and economic situation in the Palestinian territories;

40. Stresses the dangers of the current collapse of the Palestinian administrative authorities; underlines the need for the EU and the international community to go beyond their humanitarian commitment and invest once again in capacity building and security to avoid jeopardising the Palestinians' living conditions in the very long term;

41. Calls on the Commission to consider strategies, using the TIM or another body of a permanent nature, in cooperation with other financial instruments, which could cover, in the near future, not only urgent problems but a greater number of the needs of a larger proportion of the Palestinian population; in any case, seeks to assist political and economic developments that will gradually reduce the reliance of the Palestinian Authority on international aid;

42. Instructs its President to forward this resolution to the Council, the Commission, the Court of Auditors, the EIB, the parliaments of the Member States and the governments and parliaments of the Mediterranean partners.

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Review procedures concerning the award of public contracts *I**

European Parliament legislative resolution of 21 June 2007 on the proposal for a directive of the European Parliament and of the Council amending Council Directives 89/665/EEC and 92/13/EEC with regard to improving the effectiveness of review procedures concerning the award of public contracts (COM(2006)0195 — C6-0141/2006 — 2006/0066(COD))

(Codecision procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2006)0195),
- having regard to Article 251(2) and Article 95 of the EC Treaty, pursuant to which the Commission submitted the proposal to Parliament (C6-0141/2006),
- having regard to Article 47 of the Charter of Fundamental Rights of the European Union,
- having regard to Rule 51 of its Rules of Procedure,
- having regard to the report of the Committee on the Internal Market and Consumer Protection and the opinions of the Committee on Legal Affairs and the Committee on Economic and Monetary Affairs (A6-0172/2007),