

Procedure file

Basic information		
SYN - Cooperation procedure (historic)	1995/0168(SYN)	Procedure completed
Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries		
Repealed by 2004/0220(COD)		
Subject		
6.30 Development cooperation		
6.30.02 Financial and technical cooperation and assistance		
6.40.14 Relations with non-governmental organisations, NGOs		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	DEVE Development and Cooperation		
	Former committee responsible		
	DEVE Development and Cooperation		08/09/1995
		PSE PAAKKINEN Saara-Maria	
	Former committee for opinion		
BUDG Budgets		07/09/1995	
	ARE DELL'ALBA Gianfranco		
CONT Budgetary Control		05/09/1995	
	PSE WYNN Terence		
Council of the European Union	Council configuration	Meeting	Date
	Budget	2114	17/07/1998
	Economic and Financial Affairs ECOFIN	2023	07/07/1997
	Development	2012	05/06/1997
	Development	1897	20/12/1995

Key events			
10/07/1995	Legislative proposal published	COM(1995)0292	Summary
14/11/1995	Committee referral announced in Parliament		
23/11/1995	Vote in committee		Summary
23/11/1995	Committee report tabled for plenary, 1st reading/single reading	A4-0300/1995	
14/12/1995	Debate in Parliament		Summary
	Decision by Parliament		Summary

15/12/1995		T4-0655/1995	
20/12/1995	Debate in Council	1897	Summary
07/07/1997	Council position published	08312/2/1997	Summary
18/09/1997	Committee referral announced in Parliament, 2nd reading		
26/11/1997	Vote in committee, 2nd reading		Summary
26/11/1997	Committee recommendation tabled for plenary, 2nd reading	A4-0371/1997	
17/12/1997	Debate in Parliament		Summary
18/12/1997	Decision by Parliament, 2nd reading	T4-0628/1997	Summary
08/07/1998	Modified legislative proposal published	COM(1998)0404	Summary
17/07/1998	Act adopted by Council after consultation of Parliament		
17/07/1998	End of procedure in Parliament		
30/07/1998	Final act published in Official Journal		

Technical information

Procedure reference	1995/0168(SYN)
Procedure type	SYN - Cooperation procedure (historic)
Procedure subtype	Legislation
	Repealed by 2004/0220(COD)
Legal basis	EC before Amsterdam E 130W
Stage reached in procedure	Procedure completed
Committee dossier	DEVE/4/09095

Documentation gateway

Legislative proposal		COM(1995)0292 OJ C 251 27.09.1995, p. 0018	10/07/1995	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0300/1995 OJ C 339 18.12.1995, p. 0004	23/11/1995	EP	
Text adopted by Parliament, 1st reading/single reading		T4-0655/1995 OJ C 017 22.01.1996, p. 0420-0453	15/12/1995	EP	Summary
Council position		08312/2/1997 OJ C 307 08.10.1997, p. 0001	07/07/1997	CSL	Summary
Commission communication on Council's position		SEC(1997)1641	11/09/1997	EC	Summary
Committee recommendation tabled for plenary, 2nd reading		A4-0371/1997 OJ C 388 22.12.1997, p. 0003	26/11/1997	EP	
Text adopted by Parliament, 2nd reading		T4-0628/1997 OJ C 014 19.01.1998, p. 0101-0124	18/12/1997	EP	Summary
Modified legislative proposal		COM(1998)0404	08/07/1998	EC	Summary

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

OBJECTIVE: to lay down procedures for the management of operations co-financed together with European NGOs in developing countries and in fields of interest to such countries (medium-term cooperation and development). **SUBSTANCE:** together with European NGOs, the Community co-finances operations designed to: . meet the basic direct needs of disadvantaged people in developing countries (operations proposed by NGOs and implemented together with their partners in the countries concerned), the aims being to alleviate poverty as well as enhancing the target group's quality of life and own development capacity; . sensitize and inform public opinion in Europe about the problems of developing countries; . reinforce cooperation and coordination among NGOs in the Member States and between them and the Community institutions. - **Beneficiaries:** all developing countries. - **Agents of cooperation:** all NGOs (non-profit-making organizations) which are properly constituted and have their headquarters in the same Member State and obtain the majority of their funding in Europe. Priority will be given to NGOs with a significant capacity to mobilize funding for development and with experience in this area. - **Operations to be implemented:** . development: essentially local social and economic development in rural and urban areas; development of human resources; institutional support for local partners. Particular attention will be given to the strengthening of civil society (promotion of human rights and democracy), women and sustainable development; . awareness enhancement: operations highlighting the interdependence between the European Community and developing countries, in a bid to mobilize support for more equitable North-South relations and to encourage cooperation between NGOs; . coordination: support for the development of exchange and communication networks. Community co-financing will cover investment and operational spending in foreign or local currency (including NGO administrative costs). NGOs will systematically encourage their local partners to contribute financially (or possibly in kind) according to their means. - **Form of aid:** non-repayable grants. - **Decision-making procedure:** the Commission will have sole responsibility for managing operations under the Regulation. - **Information:** an annual report must be submitted to the European Parliament and Council containing a summary of the operations financed in the course of the year, an evaluation of those operations, and general guidelines for the future (presentation of independent evaluations etc. where appropriate). - **Budget:** the financial statement makes provision for an amount of ECU 174 m in 1996 (this type of cooperation does not have a specific duration and is therefore renewed annually). ?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

The committee adopted the report by Mrs Saara-Maria PAAKKINEN (PSE, FIN) on the proposal for a regulation on co-financing operations with European non-governmental development organizations in fields of interest to the developing countries. The amendments adopted by the committee called for the need to promote training operations designed to develop human resources. The Committee on Development and Cooperation also called for special attention for children during activities relating to human rights and hoped that their situation would be improved by linking cooperation and development projects with respect for the convention on children's rights. Another amendment stipulated that the decision to support a project must, as a rule, be taken within six months. If the decision was negative, verifiable reasons must be given.?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

Commissioner PINHEIRO opposed the rapporteur's request for an increase in the number of staff managing the financial resources in this area as the fundamental objective was to reduce bureaucracy. He also highlighted the criterion of the European dimension of NGOs' activities. Finally, he rejected the proposal that the Regulation should only be valid for a limited period of time; it would be preferable to provide in the short term for a report assessing the results of the Regulation and then to decide, if necessary, to review the Regulation.

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

In adopting the report by Mrs PAAKKINEN (PSE, FIN), the European Parliament approved this proposal for a regulation with the following amendments: - operations proposed to the Commission on the initiative of the partners in the developing countries should be given special attention; - cofinanced operations should encourage the development of human resources and, in particular, of training; - special attention should be paid to operations to promote the rights of the child; - it is no longer stipulated that public awareness and information operations should involve a European dimension; - with regard to financing: the NGDO could agree with the beneficiaries that part of the financial assistance could be refunded and invested in new projects; - the decision as to whether an operation is to be supported should be taken within six months. If the decision is negative, reasons should be indicated. The documents to be transmitted to the Commission should be checked within one month; - the report to be transmitted to the EP should be submitted by 30 June of each year and give details of the NGDOs benefiting from cofinancing.?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

Despite considerable effort, the Council was unable at this stage to reach agreement on the common positions on the Regulations on NGO cofinancing, the major problem lying with the procedures for taking decisions for implementation of the Regulations (committee procedure).

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

In its common position on the proposal for a regulation on co-financing operations with NGOs in developing countries, the Council accepted the bulk of the Commission's proposals concerning the nature of the operations to be financed. However, the Council highlighted certain issues, particularly: - the type of operations that could be co-financed: it added to the operations already provided for those operations involving the protection of threatened cultures (especially endangered indigenous cultures), - the establishment of criteria to determine whether a proposed operation was suitable for co-financing: these criteria included both the projects and the nature of the NGO seeking co-financing, - the establishment of maximum limits for co-financing (50% of the total cost or 75% of total contributions), - a mechanism for the evaluation of operations, - the decision-making procedure: the Council proposed that projects and programmes exceeding ECU 2 million would be adopted in accordance with the 11b procedure of the decision on committee procedure, while the annual general guidelines and the revision of the general conditions (on access to co-financing) would be adopted in accordance with the 11a procedure. Finally, the Council took over a few of the amendments adopted by the European Parliament at first reading. These included, in particular, the amendment on the protection and improvement of the situation of children in developing countries. ?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

In adopting the recommendation for second reading by Mrs Marialiese FLEMMING (PPE, A), Parliament approved the Council's common position with the following amendments: - removal of the financial reference amount in the proposed document (ECU 10.6 million), - modification of the rate of overall assistance from the Community to NGOs: Parliament proposed a new rate of 60% instead of the 50% proposed by the Council in its common position, - addition of certain selection criteria to determine operations to receive financial aid: cooperation with organizations in Central and Eastern Europe, encouraging sound integration of education programmes on the environment, innovation, consolidating civil society and a greater say accorded to citizens. Moreover, Parliament stated that, in order to be able to apply for a grant in excess of ECU 100 000, the NGO should produce its accounts for the preceding two years, the current year and the year during which the grant-aided projects had been completed. ?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

In adopting the report by Mr Pertti PAASIO (PSE, FIN), the committee asked that when cofinancing actions with NGOs, priority be given to operations based on an initiative by partners in the developing countries. It called for the Commission to submit a report on 30 June every year to the European Parliament and to the Council including information on the NGOs involved in cofinancing, a summary of the operations financed during the year, an assessment of the implementation of the regulation over the year and the general guidelines for the following year. As regards overall assistance, this report should provide a list of the NGOs benefiting from support and a list of the projects being financed in this respect, which should also be included in the report for the following year. The Commission should be assisted by an advisory committee made up of representatives of the Member States and chaired by a Commission representative in conjunction with the country or region receiving support. ?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

Commissioner Brittan stated that the Commission could accept Amendments Nos 1, 2, 3, 4, 5 (second part) and 6 (second and third parts). However, he rejected Amendments Nos 5 (first and third parts) and 6 (first part) due to the over-strict and unnecessary deadlines specified. Amendment No 7 could also not be accepted for comitology reasons and Amendment No 8 also had to be rejected as this established a five-year deadline for revising the regulation in question which was unreasonably short given that the discussion on the draft had already lasted for nearly two and a half years.

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

In adopting the recommendation for second reading by Mr Pertti Kullervo PAASIO (PSE, FI) Parliament approved the Council's common position, reintroducing most of the amendments adopted by Parliament at first reading, namely: - priority to operations based on an initiative by local partners; - cofinancing of activities relating to training; - special attention for activities relating to the rights of children; - with regard to cofinancing, provision of a clause allowing NGOs to reinvest in new projects part of the funding which has not been spent; - provision of

special arrangements on the presentation of files (decision to give support for an operation to be taken within six months, documents to be forwarded to the Commission within one month, etc.); - provision for a report to be forwarded to Parliament before 30 June each year giving details of the NGOs benefiting from co-financing, summarizing the operations financed in the course of the financial year, etc.; - review of the regulation every five years. It also made an amendment with regard to commitology, calling for the establishment of a committee of an advisory nature. ?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

In its reexamined proposal following Parliament's opinion at second reading, the Commission has incorporated in full or in part six of the eight amendments adopted by Parliament. These amendments aim to: - give priority to operations based on local initiatives, - emphasise training and children's rights, - specify the type of information which the Commission must provide in its annual report to Parliament, - provide that as a general rule, the decision on support for an operation should be taken within six months of the date of receipt of the application; if the application is incomplete, the six-month period will run from the date of receipt of the information required; if the decision is negative, reasons must be forwarded, - take account of variations in exchange rates, - authorise agreements between European NGOs and local agents with regard to reinvestment of funds. It did not however incorporate the amendments advocating: - a deadline of 30 June each year for the annual report to be forwarded to Parliament, - reexamination of the regulation after five years of implementation, - modification of the commitology procedure. ?

Co-financing operations with European non-governmental development organisations (NGOs) in fields of interest to the developing countries

OBJECTIVE: to establish the arrangements for co-financing operations with European NGOs in fields of interest to the developing countries. **COMMUNITY MEASURE:** Council Regulation (EC) 1658/98 on co-financing operations with European non-governmental organisations (NGOs) in fields of interests to the developing countries. **SUBSTANCE:** The Community co-finances with European NGOs operations to meet the basic needs of disadvantaged people in developing countries. Priority is given to proposals for operations based on an initiative by partners in developing countries. These operations, proposed by European NGOs and conducted in cooperation with their partners in the developing countries, aim to alleviate poverty and enhance the target group's quality of life and own development capacity. The Community also co-finances operations aiming to: - raise public awareness and information in Europe about development problems in the developing countries, - reinforce cooperation and coordination between NGOs from the Member States and between them and the Community Institutions. The agents of cooperation are NGOs constituted in a Member State in accordance with the laws of that State, which have their headquarters there and the majority of whose funding originates in Europe. Particular attention is to be paid to NGOs which have a large capacity to mobilise development funding, who have good administrative and financial management capacities and experience in this area. Operations to be implemented: - with regard to development: essentially local, social and economic development in rural and urban areas, human resources development through training and institutional support for local partners; particular attention is to be given to operations connected with strengthening civil society (promoting human rights and democracy), women and sustainable development and the protection of threatened cultures (endangered indigenous cultures) and improving the rights and protection of children; - with regard to public awareness: operations which highlight the interdependence of the Member States and the developing countries, which seek to mobilise support for more equitable North-South relations, encourage cooperation between NGOs and enable partners in the developing countries to play an active part; - with regard to coordination, support for the development of appropriate exchange and communication networks. Priority for co-financing is to be given to operations which will have a durable impact and will be consistent with other actions of decentralised agents. Community co-financing can cover investment spending and operational spending and any spending necessary for the smooth implementation of the co-financed operations, including the administrative costs of NGOs. Variations in exchange rate may also be taken into consideration. Aid will take a form of non-repayable grants or contributions to working capital for micro credit projects. With regard to the decision-making procedure, the Commission will be responsible for appraising and administering the co-financing of operations covered by the regulation. It will be assisted by a committee composed of the representatives of the Member States. In general, the decision as to whether an operation is to be supported should be taken within six month of receipt of the application. If the decision is negative, reasons must be given. The Community contribution shall not exceed 50% of the total cost or 75% of total contributions, except in exceptional cases. In every case, the Community contribution must not exceed 85% of the total financial contributions. Decisions on Community co-financing of projects exceeding ECU 2 million will be subject to a commitology procedure (type IIb Committee). Every three months the Commission must inform the Member States of the co-financing projects approved. An annual report is forwarded to Parliament and the Council containing a summary of operations co-financed during the past year and an evaluation of them and general guidelines for future operations. Regular evaluations are envisaged to establish whether the objectives of the operations have been attained. An overall evaluation is to be submitted three years after the regulation comes into force, with proposals for amending it. **ENTRY INTO FORCE:** 02/08/1998. ?