


# Procedure file

Basic information		
SYN - Cooperation procedure (historic)	1997/0316(SYN)	Procedure completed
West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)		
Subject 6.30.02 Financial and technical cooperation and assistance		
Geographical area Palestine		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>BUDG</b> Budgets		
Council of the European Union			

Key events			
28/01/1998	Committee referral announced in Parliament		
30/04/1998	Vote in committee		Summary
17/06/1998	Debate in Parliament		Summary
18/06/1998	Decision by Parliament	T4-0363/1998	
18/06/1998	Report referred back to committee		
01/09/1998	Vote in committee		Summary
16/09/1998	Decision by Parliament	T4-0470/1998	Summary
19/11/1998	Committee referral announced in Parliament, 2nd reading		
24/11/1998	Vote in committee, 2nd reading		Summary
03/12/1998	Decision by Parliament, 2nd reading	T4-0702/1998	Summary
21/12/1998	Act adopted by Council after consultation of Parliament		
21/12/1998	End of procedure in Parliament		
29/12/1998	Final act published in Official Journal		

Technical information
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Procedure reference	1997/0316(SYN)
Procedure type	SYN - Cooperation procedure (historic)
Procedure subtype	Legislation
Legal basis	EC before Amsterdam E 130W
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/4/10489

### Documentation gateway

Legislative proposal	COM(1997)0552	03/12/1997	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0180/1998</a> <a href="#">OJ C 195 22.06.1998, p. 0003</a>	30/04/1998	EP	
Text adopted by Parliament, partial vote at 1st reading/single reading	T4-0363/1998 <a href="#">OJ C 313 12.10.1998, p. 0048-0064</a>	18/06/1998	EP	
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0300/1998</a> <a href="#">OJ C 313 12.10.1998, p. 0008</a>	01/09/1998	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0470/1998 <a href="#">OJ C 313 12.10.1998, p. 0048-0064</a>	16/09/1998	EP	Summary
Council position	<a href="#">11565/1/1998</a> <a href="#">OJ C 388 14.02.1998, p. 0004</a>	13/10/1998	CSL	Summary
Commission communication on Council's position	SEC(1998)1959	18/11/1998	EC	Summary
Committee recommendation tabled for plenary, 2nd reading	<a href="#">A4-0436/1998</a> <a href="#">OJ C 398 21.12.1998, p. 0004</a>	24/11/1998	EP	
Text adopted by Parliament, 2nd reading	T4-0702/1998 <a href="#">OJ C 398 21.12.1998, p. 0017-0033</a>	03/12/1998	EP	Summary

### Additional information

European Commission	<a href="#">EUR-Lex</a>
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### Final act

<a href="#">Regulation 1998/2824</a> <a href="#">OJ L 351 29.12.1998, p. 0013</a> Summary
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## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

OBJECTIVE: to amend Regulation No 1734/94/EC on financial and technical cooperation with the Occupied Territories, with a view to including as eligible expenses recurrent costs (administrative expenses) of the Palestinian public institutions and administration and to extend to all eligible projects the 3% interest rate subsidies on loans currently granted by the EIB to environmental projects alone. CONTENT: Regulation No 1734/94/EC established a programme for five years (1994-1998) for financial and technical cooperation with the Occupied Territories (see procedure SYN94002). The main programmes eligible for the programme relate to infrastructures, production, rural and urban development, education, the environment and services. The Community does not presently provide financing for the administrative or recurrent expenditure of the institutions in the West Bank or the Gaza Strip. The smooth running of the Palestinian administration is essential for the development of the region. That is why the Commission includes the provision of this type of aid for the Palestinian administration in its proposal. In addition to this amendment, the Commission hopes to grant, from the Community's budget, interest rate subsidies of 3% for the loans granted by the EIB on own resources, for all types of projects funded under Regulation No 1734/94/EC and not only environmental projects, as the initial regulation stipulated. The procedures governing the allocation of interest rate subsidies will be established under Regulation No 148/96/EC (MEDA Regulation: see procedure CNS95127) that is to say, consultation of the MED Committee. ?

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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The draft report by John TOMLINSON (PES, UK) was adopted unanimously in committee. While supporting the Commission's proposal, it makes some changes aimed at bringing the current financial cooperation arrangements into line with the new realities and extending it to the year 2000 pending a new legislative proposal. The draft report contains 11 amendments to the Commission's draft regulation, the aims of which are as follows: - to simplify the recitals and extend the current scheme to the year 2000 (Ams. 1, 3 and 4); - to clarify the objectives and precise arrangements of the scheme and also emphasise that the priorities should be infrastructure, production, rural and urban development, education, health, etc.; the aim is also to help set up and strengthen the institutions needed to enable public administration to operate smoothly and to support democracy; - to bring Article 5 of Regulation 1734/94 into line with Parliament's position on comitology, so as to prevent the continuation of the old MED committee, which would be replaced by the new MED committee set up by the MEDA programme; this will mean that Parliament is kept abreast of developments as regards the implementation of the regulation; - to call on the Commission to present a new single consolidated legislative proposal for the continuation of the programme after the year 2000 (Am. 11 and amendment to the legislative resolution).?

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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At the request of the rapporteur, Mr John TOMLINSON (PSE, UK), Parliament referred back to the Committee on Budgets the report on amending the Regulation on the EU's financial and technical cooperation with the Occupied Territories. The rapporteur had called for the vote on this report to be adjourned after the European Commission had confirmed that all the amendments tabled would be rejected for legal and institutional reasons. The Commission considered that the spirit of the amendments tabled was acceptable but not for the moment. It therefore suggested incorporating these in the new regulation which would be presented in the autumn on this same issue. The amendments referred back to committee were as follows: - more precise definition of the priority intervention sectors in the regulation (the measures to be implemented should involve the infrastructures, production, urban and rural development, education, health, environment, services, foreign trade, strengthening of the institutions and promotion of human rights), particularly stressing the contribution that these projects should make to the peace process, - clarifications on the implementing methods and on comitology, particularly insisting on regular information of the budgetary authority, - continuation of the programme beyond 1998 (from 1994 to 2000), provided that this was provided for by the financial perspectives after 1999 and that the budgetary authority fixed the amount of the budget within the annual budgetary procedure, - presentation of a consolidated proposal aimed at continuing the programme beyond 2000, - new name for the territories concerned: this would mean helping the West Bank and Gaza Strip and not the Occupied Territories?.

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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The Committee has adopted the supplementary report by John TOMLINSON (PES, UK) on a proposal to amend the 1994 regulation on financial and technical cooperation with the Occupied Territories. On June 18th 1998, the House referred the first report on this matter back to the Budgets Committee, as the Commission, while saying it sympathised with the amendments adopted by Parliament, was unable to accept them at the time for "legal and institutional" reasons. The Commission then submitted a fresh text which to some degree takes account of Parliament's position. However, the rapporteur has retabled compromise amendments covering the points which the Commission's new proposal did not take up. These amendments relate to the prolongation of the cooperation programme after 1999, with an envisaged level of funding in line with the new financial perspective. The annual amount provided under the programme would be decided by the budgetary authority. The Commission is asked to present in the course of 1999 a consolidated text to continue the programme from the year 2000 onwards. Other amendments deal with comitology and the question of keeping the budgetary authority regularly informed.?

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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The European Parliament finally adopted the report by Mr John TOMLINSON (PSE, UK) on financial and technical cooperation with Occupied Territories. The matter had been referred to committee at an earlier session (June 1998) following the Commission's announcement that the amendments proposed by Parliament were unacceptable as they stood. The report was finally adopted on 16 September 1998 subject to the presentation of a compromise amendment stipulating that Council Regulation (EC) No 1734/94 should be amended in order to authorise support for the recurrent costs of the Palestinian public administration and interest rate subsidies and extend the period of cooperation. Parliament's legislative resolution also stipulates that (in accordance with Article 138 B, para. 2 of the Treaty on European Union) the Commission must submit a new legislative text by 31 December 1999, consolidating the proposals adopted to date on this matter and covering the period commencing in the year 2000 (amendment 11 corresponding to this request in the previous report was therefore deleted). For the rest, the other amendments retained were as follows: - the programme to be continued beyond 1998 (from 1994 to 2000), provided that the financial perspective after the year 1999 takes account of this and the budgetary authority decides the amount of the financial framework in the annual budgetary procedure; - the priority intervention sectors in the Regulation were defined in greater detail (infrastructures, production, rural and urban development, education, health, environment, services, foreign trade, development of institutions and promotion of human rights) in order to improve the employment situation and combat poverty; - the method of implementing the Regulation and the comitology were clarified and the need for regular information for the budgetary authority was stressed; - the term "Occupied Territories" was amended: the purpose of this cooperation is to help the "West Bank and the Gaza Strip" and to help consolidate the peace process.?

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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In its common position on cooperation with the Occupied Territories the Council has kept to the compromise agreed in plenary on 16 October 1998. The Council thus accepted that Regulation 1734/94/EC on cooperation with the Palestinians should be amended in order to authorise support for the recurrent costs of the Palestinian public administration and interest rate subsidies. However it does not accept extension of the cooperation period as suggested by Parliament, given that it is now covered by the proposal SYN98220 which specifically extends financial and technical cooperation with the Occupied Territories from 1999 to 2003. The Council also introduced a new amendment stating that the financing decisions on interest rate subsidies are to be adopted according to the procedure under Regulation 1488/96/EC (MEDA programme).  
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## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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In its opinion on the Council's common position on financial and technical cooperation with the Occupied Territories the Commission considers that the Council text is acceptable. ?

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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The Committee adopted the report by Lord TOMLINSON (PES, UK) with a view to the 2nd reading by Parliament, which will take place in the plenary without debate. The report proposes that the two common positions of the Council be approved, as the Council has taken on board nearly all the priorities Parliament set out at 1st reading. As the Council did not accept the amendments on comitology, the rapporteur proposes that the approval of the two common positions be accompanied by a statement, to be made in plenary, with a view to safeguarding Parliament's position on this matter. Lastly, in its legislative decisions, just as at 1st reading, Parliament asks the Commission to submit by 31st December 1999 a new single consolidated legislative text to enable the programme to continue after the year 2000.

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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Parliament adopted without debate the recommendation for second reading by Lord Tomlinson (PSE, UK) which proposes approval of the common position of the Council as the latter had taken into account almost all of the priorities put forward by Parliament at first reading. As the amendments on comitology were not included by the Council, the report's approval of the common position included a statement in plenary safeguarding Parliament's position on this subject. Lastly, Parliament repeated the request to the Commission to submit before 31 December 1999 a new single consolidated legislative text for the continuation of this programme from the year 2000 onwards. ?

## West Bank and Gaza Strip: financial and technical cooperation (amend. Regulation (EC) No 1734/94)

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PURPOSE: modification of Regulation 1734/94/EC on financial and technical co-operation with the Occupied Territories. COMMUNITY MEASURE: Council Regulation 2824/98/EC amending Regulation 1743/94/EC on financial and technical co-operation with the Occupied Territories. CONTENT: this Regulation seeks to include as eligible expenses within the financial and technological programme for the Occupied Territories, recurrent costs (or administrative expenses) of the Palestinian public administration. The Regulation also provides for the possibility of combining Community measures in the West Bank and Gaza Strip with European Investment Bank financing from own resources for all types of projects financed under Regulation 1734/94/EC. Financing decisions on interest rate subsidies shall be adopted in accordance with the procedure laid down in Regulation 1488/96/EC (MEDA Regulation). ENTRY INTO FORCE: 01.01.1999.?