



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.7.2005
COM(2005) 321 final

2005/0133 (CNS)

Proposal for a

COUNCIL DECISION

enabling countries eligible for the future European Neighbourhood and Partnership Instrument (ENPI) to benefit from the Technical Assistance and Information Exchange Programme (TAIEX)

EXPLANATORY MEMORANDUM

The Technical Assistance and Information Exchange Programme (TAIEX) was set up in 1995 to provide short-term, targeted technical assistance to the Central and Eastern European candidate countries. The initiative was conceived as a 'one stop shop' to assist the countries in understanding and drafting EU-related legislation and to help them with implementation and enforcement. TAIEX provides five main services: documentation, information and advice on legislation; workshops and seminars; study visits to the European Commission and Member States; expertise to advise the beneficiary countries and, finally, databases on the deployment and results of technical assistance provided.

The European Neighbourhood Policy's (ENP) objective, as stated in the Commission's Strategy Paper adopted in May 2004, is to share the benefits of the EU's 2004 enlargement with neighbouring countries and to use some of the instruments and experience gained during the enlargement process to bring partner countries closer to the EU, aiming at gradual economic integration and a deepening of political integration.

Both the ENP Strategy Paper and the ENP Action Plans offer to extend TAIEX to ENP partner countries.

While Russia is not officially part of the ENP, the recently adopted road maps for the creation of the four Common Spaces between the EU and Russia set out objectives similar to those of the ENP, namely to intensify cooperation and to pursue regulatory convergence and legislative approximation between the EU and Russia. In addition, Russia will also be eligible for funding under the future European Neighbourhood and Partnership Instrument (ENPI).

The purpose of the proposed Council Decision is therefore to enable ENP partner countries, in particular those with ENP Action Plans under implementation as well as Russia, to have access to TAIEX in the same way as the countries covered by the PHARE, CARDS and Turkey regulations. TAIEX is implemented in line with article 54 (2) of the Financial Regulation, which allows for the implementation of the Community budget through centralised indirect management subject to specific requirements. For implementation by national public-sector bodies or bodies with a public-service mission, the requirements are set out in Article 54 (2) (c), according to which the Commission may "entrust tasks of public authority, and in particular budget implementation tasks to (...) national public-sector bodies or bodies governed by private law with a public-service mission providing adequate financial guarantees and complying with the conditions provided for in the implementing arrangements".

However, "such bodies may be entrusted with implementation tasks only if the basic act of the programme or action concerned provides for the possibility of delegation and lays down the criteria for the selection of the bodies concerned (...)". Neither Council Regulation (EC) 1488/1996 of 23 July 1996 concerning financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership (MEDA)¹ nor Council Regulation (EC, EURATOM) 99/2000 of 29 December 1999 concerning the provision of assistance to the partner States in Eastern Europe and Central Asia (Takis)² has such a provision.

¹ OJ L 189, 30/07/1996 p. 1-9

² OJ L 12, 18/1/2000, p. 1-9

However, centralised indirect management has already been established for the PHARE and CARDS Programmes (Council Regulation 2257/2004³). A proposal has also been made for the pre-accession financial assistance for Turkey⁴. The proposed new Instrument for Pre-accession Assistance (IPA) and the proposed new European Neighbourhood and Partnership Instrument (ENPI) will also authorise centralised indirect management.

Therefore, the proposed Council Decision provides a temporary solution and an appropriate legal basis until TAIEX actions can be funded under the ENPI from 2007 onwards. An amount of € 4 million, to be taken equally from the respective regional budget lines, will be sufficient.

The legal base of the decision is Article 181 a ECT since the activities of TAIEX consist entirely of technical cooperation with third countries. A substantive part of the actions of Regulation 99/2000 falls within the scope of the EURATOM treaty. It is however proposed to limit the use of TAIEX to tasks falling within the scope of the EC Treaty.

³ OJ L 389, 30.12.2004, p.1

⁴ COM (2004) 814 final

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enabling countries eligible for the future European Neighbourhood and Partnership Instrument (ENPI) to benefit from the Technical Assistance and Information Exchange Programme (TAIEX)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 181 a (2) thereof,

Having regard to the proposal from the Commission⁵,

Having regard to the opinion of the European Parliament⁶,

Whereas:

- (1) In the area of pre-accession aid, centralised indirect management has proved a valuable tool in the past, in particular concerning the operations of the Office for Technical Assistance and Information Exchange (TAIEX),
- (2) The European Neighbourhood Policy's (ENP) objective, as stated in the Commission's Strategy Paper adopted in May 2004, is to share the benefits of the EU's 2004 enlargement with neighbouring countries and to use some of the instruments and experience gained during the enlargement process to bring partner countries closer to the EU, aiming at gradual economic integration and a deepening of political integration. The European Neighbourhood countries should therefore be able to benefit from TAIEX,
- (3) At the 15th EU-Russia Summit on 10 May 2005, the EU and Russia adopted road maps for the creation of four Common spaces which set out objectives similar to those of the ENP, namely to intensify bilateral cooperation and to pursue regulatory convergence and legislative approximation.
- (4) Russia will be eligible for funding under the future European Neighbourhood and Partnership Instrument (ENPI).

⁵ OJ C [...], [...], p. [...]

⁶ OJ C [...], [...], p. [...]

- (5) Article 54 (2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁷ (the Financial Regulation) allows for the implementation of the Community budget through centralised indirect management and sets specific requirements for implementation, provided this is authorised by the basic act of the programme,
- (6) A harmonised implementation of the assistance through TAIEX is necessary; therefore the present Decision should follow the same approach as Council Regulation (EEC) No 3906/1989 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe⁸ (PHARE), Council Regulation (EC) No 2666/2000 of 5 December 2000 on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal republic of Yugoslavia and the Former Yugoslav Republic of Macedonia⁹ (CARDS), and Council Regulation (EC) No 2500/2001 of 17 December 2001 concerning pre-accession financial assistance for Turkey¹⁰,
- (7) Part of the actions of Regulation 99/2000 fall within the scope of the Euratom treaty. These aspects are not concerned by this Decision,
- (8) The most appropriate basis in the Treaty for the adoption of this Decision being Article 181 a of the EC Treaty,

HAS DECIDED AS FOLLOWS:

Article 1

The purpose of this Decision is to enable countries eligible for the future European Neighbourhood and Partnership Instrument (ENPI), particularly those with Action Plans or road maps under implementation, to benefit from assistance through the Office for Technical Assistance and Information Exchange (TAIEX), which will provide targeted technical assistance to aid the partner countries in understanding and drafting legislation related to the Action Plans and to help them with implementation and enforcement.

Article 2

For the purposes of implementing Council Regulation (EC) 1488/1996 of 23 July 1996 concerning financial and technical measures to accompany the reform of economic and social structures in the framework of the Euro-Mediterranean partnership (MEDA)¹¹ and Council Regulation (EC, EURATOM) 99/2000 of 29 December 1999 concerning the provision of assistance to the partner States in Eastern Europe and Central Asia (Tacis)¹², the Commission

⁷ OJ L 248, 16.9.2002, p. 1

⁸ OJ L 375, 23.12.1989, p.11. Regulation as last amended by Regulation (EC) No 2257/2004 (OJ L389, 30.12.2004, p. 1).

⁹ OJ L 306, 7.12.2000, p.1. Regulation as amended by Regulation (EC) No 2257/2004 (OJ L389, 30.12.2004, p. 1)

¹⁰ OJ L 342, 27.12.2001, p. 1. Regulation as last amended by Regulation [...]

¹¹ OJ L 189, 30/07/1996 p. 1-9

¹² OJ L 12, 18/1/2000, p. 1-9

may, in accordance with Article 54 (2) of the Financial Regulation, decide to entrust tasks of public authority, and in particular budget implementation tasks following from this Decision¹³, ¹⁴, to the body implementing the TAIEX programme implemented under Council Regulation (EEC) 3906/1989 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe¹⁵ (PHARE), Council Regulation (EC) 2666/2000 of 5 December 2000 on assistance for Albania, Bosnia and Herzegovina, Croatia, the Federal republic of Yugoslavia and the Former Yugoslav Republic of Macedonia¹⁶ (CARDS), and Council Regulation (EC) 2500/2001 of 17 December 2001 concerning pre-accession financial assistance for Turkey¹⁷. This Decision does not apply to actions implemented under Regulation 99/2000 that fall within the scope of the EURATOM Treaty.

Article 3

Activities authorised by this decision shall be financed from budget line 19.06.01 Assistance to partner countries in Eastern Europe and Central Asia, and the associated budget line for administrative costs 19.01.04.07, and budget line 19.08.02.01 MEDA (measures to accompany the reforms to the economic and social structures in the Mediterranean non-member countries) and the associated budget line for administrative costs 19.01.04.06.

Done at Brussels,

*For the Council
The President*

¹³ OJ L 248, 16.9.2002, p. 1

¹⁴ OJ L 248, 16.9.2002, p. 11. Regulation as last amended by Regulation (EC) No 2257/2004 (OJ L389, 30.12.2004, p. 1).

¹⁵ OJ L375, 23.12.1989, p.11. Regulation as last amended by Regulation (EC) No 2257/2004 (OJ L389, 30.12.2004, p. 1).

¹⁶ OJ L306, 7.12.2000, p.1. Regulation as amended by Regulation (EC) No 2257/2004 (OJ L389, 30.12.2004, p. 1)

¹⁷ OJ L342, 27.12.2001, p. 1. Regulation as last amended by Regulation [...]

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL :

Council Decision enabling countries covered by the European Neighbourhood Policy (ENP) to benefit from the Technical Assistance and Information Exchange Programme (TAIEX)

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Policy Area External Relations

Activity 19.06 "Relations with Eastern Europe, Caucasus and Central Asian Republics (EECCA)"

Activity 19.08 "Relations with the Middle East and South Mediterranean"

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- BA lines)) including headings:

The Council Decision will be financed from the funds available for the following budget lines:

- Budget line 19.06.01 Assistance to partner countries in Eastern Europe and Central Asia and the associated budget line for administrative costs 19.01.04.07
- Budget line 19.08.02.01 MEDA (measures to accompany the reforms to the economic and social structures in the Mediterranean non-member countries) and the associated budget line for administrative costs 19.01.04.06.

3.2. Duration of the action and of the financial impact:

2005/2006 for commitments, 2005-2007 for implementation.

3.3. Budgetary characteristics (add rows if necessary) :

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
19.06.01	Non-comp	Diff ¹⁸	NO	NO	NO	No
19.08.02	Non-comp	Diff	NO	NO	NO	No

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA) for budget line 19.06.01

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year	2006	2007	Total
			2005			

Operational expenditure¹⁹

Commitment Appropriations (CA)	8.1	a	0.2	1.4		1.6
Payment Appropriations (PA)		b	0.1	1.0	0.5	1.6

Administrative expenditure within reference amount²⁰

Technical & administrative assistance (NDA)	8.2.4	c	0.05	0.25	0.1	0.4
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	0.25	1.65	0.1	2
Payment Appropriations		b+c	0.15	1.25	0.6	2

¹⁸ Differentiated appropriations

¹⁹ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

²⁰ Expenditure within article xx 01 04 of Title xx.

4.1.2. Summary of commitment appropriations (CA) and payment appropriations (PA) for budget line 19.08.02

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year 2005	2006	2007	Total
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Operational expenditure²¹

Commitment Appropriations (CA)	8.1	a	0.2	1.4		1.6
Payment Appropriations (PA)		b	0.1	1.0	0.5	1.6

Administrative expenditure within reference amount²²

Technical & administrative assistance (NDA)	8.2.4	c	0.05	0.25	0.1	0.4
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TOTAL REFERENCE AMOUNT

Commitment Appropriations		a+c	0.25	1.65	0.1	2
Payment Appropriations		b+c	0.15	1.25	0.6	2
Human resources and associated expenditure (NDA)	8.2.5	d	0.1	0.5	0.2	
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	E	0	0	0	

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c+d+e	0.5	3.2	0.2	
TOTAL PA including cost of Human Resources		b+c+d+e	0.3	2.5	1.2	

4.1.3. Compatibility with Financial Programming

Proposal is compatible with existing financial programming.

²¹ Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

²² Expenditure within article xx 01 04 of Title xx.

4.1.4. Financial impact on Revenue

Proposal has no financial implications on revenue.

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2005	2006	2007
Total number of human resources	1.5	8	3

5. CHARACTERISTICS AND OBJECTIVES

Details of the context of the proposal are required in the Explanatory Memorandum. This section of the Legislative Financial Statement should include the following specific complementary information:

5.1. Need to be met in the short or long term

The European Neighbourhood Policy's (ENP) objective, as stated in the Commission's Strategy Paper adopted in May 2004, is to share the benefits of the EU's 2004 enlargement with neighbouring countries and to use some of the instruments and experience gained during the enlargement process to bring partner countries closer to the EU, aiming at gradual economic integration and a deepening of political integration.

Both the ENP Strategy Paper and the ENP Action Plans offer to extend TAIEX to ENP partner countries. The purpose of the proposed Council Decision is to enable ENP partner countries, in particular those with ENP Action Plans under implementation, to have access to TAIEX in the same way as the countries covered by the PHARE, CARDS and Turkey regulations.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

TAIEX is a unique and effective way of transmitting knowledge and advice on drafting and implementing EU-related legislation; the European value added is thus clear. The TAIEX management system ensures that actions financed through TAIEX are coherent with other activities.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The objective of the action is primarily to promote effective implementation of the European Neighbourhood Policy (ENP) Action Plans. The effect of the support through TAIEX will be followed up in the context of the overall reporting on the implementation of the Action Plans as well as by instrument-focused monitoring and evaluation.

5.4. Method of Implementation (indicative)

Show below the method(s)²³ chosen for the implementation of the action.

- X **Centralised Management**
 - Directly by the Commission
 - X Indirectly by delegation to:
 - Executive Agencies
 - Bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
 - X National public-sector bodies/bodies with public-service mission
- Shared or decentralised management**
 - With Member states
 - With Third countries
- Joint management with international organisations (please specify)**

6. MONITORING AND EVALUATION

The implementation of this Council decision will follow the same modalities for monitoring, evaluation and antifraud measures as the TAIEX programme as a whole.

7. ANTI-FRAUD MEASURES

The accounts and operations of all activities carried out under the programme are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission can conduct check-ups and inspections on site in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96 dated November 11, 1996, concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities.

The procedures foreseen in Art. 15 § 3 of Commission Regulation No. 2222/2000 dated from June 7, 2000, on the communication in case of irregularities and putting in place a system to administrate the information in this field shall apply.

²³ If more than one method is indicated please provide additional details in the "Relevant comments" section of this point

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

TAIEX is a demand-driven programme based on specific requests from the beneficiary countries. The objectives that will be covered cannot be distinguished in terms of their financial costs in advance.

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)					
		2005	2006	2007			
Officials or temporary staff ²⁴ (XX 01 01)	A*/AD						
	B*, C*/AST						
Staff financed ²⁵ by art. XX 01 02							
Other staff ²⁶ financed by art. XX 01 04/05		1.5	8	3			
TOTAL							

8.2.2. Description of tasks deriving from the action

TAIEX provides short-term, targeted technical assistance. It is a 'one stop shop' to assist the countries in understanding and drafting legislation and to help them with implementation and enforcement. TAIEX provides five main services: documentation, information and advice on legislation; workshops and seminars; study visits to the European Commission and Member States; expertise to advise the beneficiary countries and, finally, databases on the deployment and results of technical assistance provided.

8.2.3. Sources of human resources (statutory)

No additional statutory resources are foreseen.

8.2.4. Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)

²⁴ Cost of which is NOT covered by the reference amount

²⁵ Cost of which is NOT covered by the reference amount

²⁶ Cost of which is included within the reference amount

EUR million (to 3 decimal places)

Budget line (number and heading)	2005	2006	2007	TOTAL
1 Technical and administrative assistance (including related staff costs)				
Executive agencies ²⁷				
Other technical and administrative assistance				
- <i>intra muros</i>	0.100	0.500	0.200	
- <i>extra muros</i>				
Total Technical and administrative assistance	0.100	0.500	0.200	

8.2.5. Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)						
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)						
Total cost of Human Resources and associated costs (NOT in reference amount)						

Calculation– *Officials and Temporary agents*

Reference should be made to Point 8.2.1, if applicable

Calculation– *Staff financed under art. XX 01 02*

Reference should be made to Point 8.2.1, if applicable

²⁷ Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

8.2.6. Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees ²⁸							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
2 Total Other Management Expenditure (XX 01 02 11)							
3 Other expenditure of an administrative nature (specify including reference to budget line)							
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)							

Calculation - *Other administrative expenditure not included in reference amount*

²⁸ Specify the type of committee and the group to which it belongs.